



FINRA Investor Education Foundation

Report to the SEC of the Global Settlement Funds

For the Quarter and Year Ended December 31, 2012

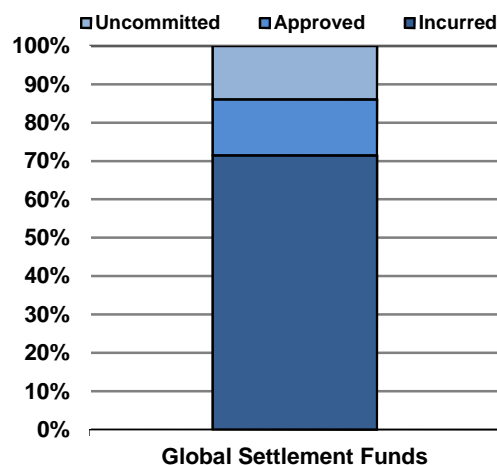
Final 05.09.2013

The FINRA Investor Education Foundation supports innovative research and educational projects that give investors the tools and information they need to better understand the markets and the basic principles of saving and investing.

Executive Summary

During the fourth quarter of 2012, the FINRA Investor Education Foundation (Foundation) continued to support grant programs and targeted projects. The Foundation's Board of Directors (Board) met in December and approved 20 grants for a total of \$2.0 million, of which 70 percent is eligible for Global Settlement Funds (Funds). In addition, the Board approved continued funding for the Investor Protection Campaign in the amount of \$4.3 million and the National Financial Capability Study for \$0.5 million, for both of which 70 percent is eligible to be allocated from the Funds. The Foundation continued to distribute funds related to previously approved grants and targeted projects. In the fourth quarter of 2012, the Foundation incurred \$2.3 million in expenses payable from the Funds, including \$2.1 million for grants and targeted projects plus \$0.2 million in general and administrative expenses.

As of December 31, 2012, the cumulative total of the Funds amounted to \$59.9 million, including \$55.0 million specified in the September 2, 2005 Order plus \$4.9 million in interest and dividends¹. Of this total, the Board has approved and/or committed \$51.6 million, which breaks down as follows: \$42.8 million has been disbursed from the Funds, including \$40.0 million to pay grantees and project partners plus \$2.8 million to pay general and administrative expenses, consisting of program-related (e.g., grant administration) and other costs of operating the Foundation; and \$8.8 million is currently approved and committed by the Board. Additional general and administrative expenses will be incurred on an ongoing basis.



Cumulative Expenses and Commitments from Global Settlement Funds

December 31, 2012	Cumulative-to-Date		
	Disbursed	Remaining Approved	Total Expenses & Commitments
Grant Programs ⁽¹⁾			
General Grant Program	\$ 8,490,495	\$ 508,189	\$ 8,998,684
Library Grant Program	3,831,249	942,367	4,773,616
United Way Grant Program	2,647,319	1,285,954	3,933,273
Investor Advocacy Clinic	997,500	402,500	1,400,000
Improving Disclosure to Investors	672,776	-	672,776
Life-Cycle Investing Program	429,574	-	429,574
Grant Programs Total	17,068,913	3,139,010	20,207,923
Targeted Projects			
Military Financial Readiness Project	9,383,943	1,867,600	11,251,543
Investor Protection Campaign	11,242,630	3,003,700	14,246,330
National Financial Capability Study	409,163	462,337	871,500
Teen Financial Literacy Project	1,825,101	292,194	2,117,295
Student Debt Project	42,000	-	42,000
Targeted Projects Total	22,902,837	5,625,831	28,528,668
General and Administrative			
Program Related	2,030,477	-	2,030,477
Other	818,489	-	818,489
General and Administrative Total	2,848,966	-	2,848,966
Total	\$ 42,820,716	\$ 8,764,841	\$ 51,585,557

(1) Grant Programs - Remaining Approved reflects any adjustments for either early termination of a grant or successful completion of a project for less than the original approved grant.

¹ Beginning with this report, and for all future reports, the bar chart depicting incurred, approved and uncommitted amounts includes dividend and interest income. To expedite filing of the fourth quarter report, the financials included in this report are pending final approval of the audited financials at the Foundation Board meeting on June 18, 2013. Audited financials will be filed with the Court following the June Board meeting.

FINRA contributes services to the Foundation in the form of management oversight, program staff and certain administrative services including communications, legal, financial, tax and treasury. The value for these services, which are provided at no charge to the Foundation, is excluded from the previous table. For the quarter ended December 31, 2012, the value of the contributed services is estimated to be approximately \$0.9 million. FINRA will continue to provide such services at least until the Global Settlement Funds are fully disbursed. This contribution greatly reduces the administrative expenses incurred by the Foundation and maximizes resources devoted to the Foundation's mission.

FINRA's letter to the Court dated September 2, 2005, stated that FINRA would continue to fund the Foundation in the same proportion (1.9 percent) used in relation to FINRA's 2004 overall operating budget. To ensure compliance with this requirement, FINRA management, on at least an annual basis, reviews the balance of the FINRA-contributed funds as a percentage of FINRA's operating budget for a given year and determines whether the percentage continues to be at least 1.9 percent. Upon performing this review, management confirmed that the balance of the FINRA contributed-funds as a percentage of FINRA's operating budget exceeds the minimum requirement.

I. Summary of Activity in the Fourth Quarter of 2012

The Foundation Board convened once during the fourth quarter (on December 11) to consider grants and projects for funding.

A. Grant Programs

In 2012, the Foundation offered grants through four programs: the General Grant Program; Smart investing@your library®; Financial Education in Your Community; and the Investor Advocacy Clinic Grant Program. In addition to these grant opportunities, the Foundation managed 70 previously approved grant projects during the fourth quarter of 2012, four of which reached completion during the quarter. Resources and research resulting from Foundation-funded projects are publicly available on the Foundation's website, www.finrafoundation.org.

The Board approved 20 grants in the fourth quarter of 2012 for \$1.98 million, as detailed in Exhibit A—Attachment 1 and summarized below:

- i. **General Grant Program** – Through the General Grant Program, the Foundation funds research and educational projects that support its mission of providing underserved Americans with the knowledge, skills and tools necessary for financial success throughout life. We offer rolling deadlines for submission of Project Concept Forms. Applicants whose projects closely align with the Foundation's priorities are invited to submit a full grant proposal for consideration at one of the Foundation's Board meetings.

Foundation staff received 21 new project concepts in the fourth quarter. None from this pool was invited to submit a full proposal. Two previously invited applications were received by the deadline for December consideration. Neither was recommended for funding. Exhibit A provides a list of project concepts and proposals declined. Staff continued to accept and review additional project concepts.

The Foundation also continued to provide assistance and oversight for seven existing education² and research³ projects previously approved under the General Grant Program. Research projects with George Washington University and North Carolina State University concluded during the quarter. A summary of these projects follows:

- George Washington University prepared a report on *How Employers Can Help New Hires Save for Retirement: Best Practices that Build Long-Term Financial Security*. The report, based on previous studies completed by researchers affiliated with the university's Financial Literacy Center, identifies 10 ways to improve the retirement savings and preparedness of newly hired workers:
 - 1) equipping new employees with basic retirement plan information;
 - 2) focusing on key concepts to improve employees' overall financial literacy;
 - 3) tailoring financial information and educational programs to meet the needs of employees;
 - 4) recognizing that debt management and retirement savings go hand in hand;
 - 5) offering an employer match;
 - 6) using automatic enrollment to boost participation rates;
 - 7) setting a default savings level that (at minimum) meets the employer match rate—and escalating this amount over time;
 - 8) providing sound financial information and counseling to employees;
 - 9) reminding employees about investment risk; and
 - 10) regularly reminding employees of the value of a retirement plan.

The report is being disseminated on the Foundation's website⁴ and through other channels, including the President's Advisory Council on Financial Capability.

- Researchers at North Carolina State University and George Mason University partnered with a technology firm to create a fraud detection tool based on comparisons of financial and non-financial disclosures in SEC Form 10-K filings. The team used a previous Foundation grant to design and validate a prototype tool. The success of that effort formed the basis for the current project, which further automated the tool to make it more efficient and user-friendly. The semi-automated tool delivered under the grant has been demonstrated to a variety of stakeholders, including regulators and auditors, and is the subject of numerous academic articles. The Foundation is currently evaluating the feasibility, cost and complexity of refining, operating and maintaining a fully automated,

² Descriptions of educational grants funded by the Foundation through the General Grant Program are available at www.finrafoundation.org/grants/awarded/education/. During the fourth quarter of 2012, active education grants included: First Nations Development Institute; National Labor College; Operation HOPE; Pace University School of Law; and University of Tennessee.

³ Descriptions of research grants funded by the Foundation through the General Grant Program are available at www.finrafoundation.org/grants/awarded/research/. During the fourth quarter of 2012, two research grants concluded: George Washington University and North Carolina State University.

⁴ The full report from George Washington University and North Carolina State University, entitled *How Employers Can Help New Hires Save for Retirement: Best Practices that Build Long-Term Financial Security*, is available online at <http://www.finrafoundation.org/resources/research>.

potentially data-fed version of this fraud detection tool for use by investors as well as regulators and auditors.

- ii. **Smart investing@your library[®]** – The Foundation’s grantmaking collaboration with the American Library Association (ALA) is designed to support community-level financial and investor education and assistance through public libraries, library networks and community college libraries nationwide. The ALA partnership enables technical assistance in the areas of project management, communications, evaluation and marketing for all participating sites.

During the fourth quarter of 2012, Foundation and ALA staff provided support and oversight for 28 active library grant projects.⁵ This includes site visits to selected grantees as well as day-to-day stewardship and technical assistance. As reflected in Exhibit B, nine library grants reached significant milestones triggering payments during the fourth quarter of 2012. Two library grants concluded: Martinsburg-Berkeley County Public Libraries (WV) and Libraries of Eastern Oregon. The Martinsburg-Berkeley County project succeeded in partnering with the Blue Ridge Community and Technical College to establish a four-part financial literacy program serving county residents under the theme “Free-Way to Financial Information.” The project included a family financial fair featuring services available in the Eastern Panhandle of West Virginia; special programming on financial basics for children and teens delivered with assistance from the Shenandoah Valley Discovery Museum; financial seminars for adults; and a “CASH Corridor” on the library system’s website, with multimedia personal finance resources. The Libraries of Eastern Oregon project reached population centers in 15 rural, isolated communities in Umatilla and Morrow counties, disseminating financial literacy programs and resources for senior citizens and Latino and Native American residents through partnerships with community colleges, nonprofit organizations and Oregon state agencies.

In November, the Foundation received the annual third-party evaluation for Smart investing@your library[®]. The evaluator, in consultation with ALA and the FINRA Foundation, instituted a number of data collection strategies to inform analysis. These include review of reports and data collected at the site level, focus groups, telephone interviews with project staff, frequent web-based surveys of grant sites, review of marketing strategies and outcomes, and an examination of processes and non-grant assistance provided across the overall initiative.

The evaluation report describes positive outcomes related to project reach, impact, sustainability through effective partnerships, and distribution and use of quality financial education resources. According to the evaluator, “The cadre of library staff participating in Smart investing@your library[®] is developing into a group of library leaders, passionate about their commitment to the mission of the program. They seek and create opportunities to share what they have learned about financial literacy and to share the tools created through their Smart investing@your library[®] projects. This is a group of ambassadors ... who believe passionately in the importance of financial literacy as a component of library services.” The evaluation report makes the following observations:

⁵ Descriptions of Smart investing@your library[®] grant awards are available on the Foundation’s website at www.finrafoundation.org/grants/awarded/library/ and on the ALA’s website at www.smartinvesting.ala.org. Two grants concluded during the quarter: Martinsburg-Berkeley County Public Libraries (WV) and Libraries of Eastern Oregon (OR).

- Between 81 and 90 percent of grantees are fully meeting or exceeding their goals to (1) make reliable, unbiased financial education resources and services available to their publics, (2) expand community awareness of these resources and services, and (3) achieve sustained use of such resources and services among various demographic groups. Of the remaining grantees, 7.7–11.8 percent are “adequately” meeting these goals, and 1.9–7.7 percent are meeting these goals “to a more limited extent,” according to the evaluator.⁶
- 84.6 percent of participating libraries report that they incorporate the financial and investor education resources provided by the FINRA Foundation and its grantees into their programs and activities either constantly (53.8 percent) or frequently (30.8 percent). Both library staff and library patrons (upwards of 80 percent) have found these materials valuable.
- That said, 48.6 percent believe that such materials could be made more useful for library staff and library patrons by making materials more accessible to audiences of differing language abilities and financial sophistication.
- 94.3 percent of grantees report that they have been successful reaching their target audiences, including language minority groups and different age cohorts. At times, this has required taking programs and services to convenient locations outside of the library and being responsive and flexible in meeting patrons’ needs.
- Partnerships established or strengthened as a result of the grants are enduring and instrumental in sustaining financial literacy activities and services following the conclusion of the grant term.
- Similarly, “integrating financial literacy activities into existing programming venues helps to ensure both initial program success and subsequent sustainability,” according to the evaluator.
- The evaluation report notes that “participating libraries leverage FINRA Foundation grant funds to increase local support, in terms of both actual dollars and donations of time, expertise, and services.” Although grantees are not required to match FINRA Foundation support, they often bring additional resources to the table.
- The large majority of participating libraries (between 84.6 percent and 98.1 percent) express satisfaction with the programmatic, publicity and evaluation support provided to them through Smart investing@your library[®]. This support comprises the non-grant assistance to grantees.

The evaluator offered suggestions for enhancements to the program, including engaging and supporting project principals in their efforts to disseminate financial literacy programming models to the broader library profession. Third-party evaluation analysis is ongoing, with reports issued on an annual basis.

Also in the quarter, Foundation and ALA staff prepared recommendations resulting from the program's peer advisory committee review of new applications. At its December 11 meeting, the Board approved 12 new Smart investing@your library[®] grants totaling \$953,619.

⁶ For the small number of projects underway that appear to be falling short of their goals, the Foundation works with its partners to provide targeted assistance. This may take the form of site visits to review project plans and observe implementation, guidance on marketing strategy, suggestions pertaining to data collection and analysis, connections to local resources (both human and information), and general help with project management.

- iii. **Financial Education in Your Community** – The Foundation’s partnership with United Way Worldwide (UWW) is designed to build the capacity of regional and local community-based organizations to meet the financial education needs of underserved working individuals and families.

Throughout the quarter, Foundation and UWW staff provided oversight for 26 active grants and continued to encourage peer-to-peer communication among all 39 organizations that have received grants since the program launched in 2009.⁷

The Foundation received the third-party evaluation report on the program in October 2012. It includes a quantitative analysis of clients served through the program, and describes the collective lessons learned and promising practices that have the potential to improve the distribution, delivery and results of any financial education effort.

Seventy-one percent of those served were female, while 86 percent were Black/African American, American Indian/Native American or Hispanic/Latino. The average household income of those served was \$27,800.

As a result of the services grantees provided, clients reported positive outcomes:

- Improved credit scores
- Decreased use of alternative financial services
- Increased savings
- Declining debt balances
- Increased use of savings accounts
- Increased ability to cover basic living expenses and pay bills on time
- Improved money management and decision-making skills
- Improved confidence in managing finances

The evaluation report makes the following observations:

- Multi-strategy financial education models are the most effective in bringing about changes to client behavior and practice. There is value in both group and individual approaches to providing community-based financial education.
- Successful programs are based on flexible models. The best project leaders are able to make refinements to work plans during project implementation.
- Integration of financial education with existing programs and services may be the most efficient, effective and sustainable way to reach and provide financial education to clients, especially those with low income or limited resources.
- New projects experience a start-up phase lasting six months or more. During the initial implementation stage of projects, grantees must solidify partnerships, determine the optimal marketing mix, and test and refine volunteer and client recruitment strategies.

⁷ Descriptions of Financial Education in Your Community grant awards are available on the Foundation’s website at www.finrafoundation.org/grants/awarded/community/.

- Most grantees find it necessary to customize existing curricula to meet the particular needs of their clients and other stakeholders. Carefully tailored materials enable sites to match content and approach to the outcomes they hope to achieve and to the outcomes that participants themselves hope to attain.
- The most successful workplace financial education programs require the alignment of numerous factors, including a committed internal advocate at the workplace, clear benefits to the employer, paid time off for employees to participate in financial education workshops or coaching sessions, positive promotional messages to inform employees about the financial education or coaching opportunity, and demonstrated respect for participant privacy (e.g., by providing a confidential meeting space for financial counseling or coaching).
- While the field is largely focused on how to incentivize participants, simply eliminating common barriers (e.g., lack of transportation, the need for childcare and lack of time) can increase participation and retention rates.
- Linking financial education with other financial products and services increases positive client outcomes.⁸
- Successful volunteer programs place a high priority on volunteer recruitment, training and ongoing support.
- Partnerships formed through Financial Education in Your Community projects are numerous and sustainable. Effective partnerships are based on clear performance objectives, transparency and shared goals for client services and well-being.

Evaluation of individual projects and the impact of the overall initiative is ongoing.

At the December 11, 2012 meeting, the Board approved eight new grants for a total of \$1,027,691. The approved grants extend the Foundation's grantmaking into new communities, address a new audience (underserved youth entering the workforce) and expand upon the success of previously funded projects. All of the funded projects serve the needs of low- and middle-income working Americans through sustainable and replicable models emphasizing strong community partnerships.

- iv. **Investor Advocacy Clinic Grant Program** – The Investor Advocacy Clinic Grant Program provides start-up funding and assistance to law schools that are well-positioned to establish clinics offering legal advice and other help for underserved investors. Six law schools currently operate Foundation-funded clinics across the country serving the investing public, counseling small investors, representing those with viable claims, and educating the general public about investments and how to avoid financial fraud. Two additional clinics are in the developmental stage.

The clinics collectively received over 490 inquiries as of December 31, 2012. The vast majority of the inquiries are successfully resolved through client counseling. As of the end of the quarter, the clinics had filed 19 cases for arbitration. Of these, eight are currently pending, three proceeded to arbitration, one was successfully mediated, five settled before the hearing and two were closed. Updates for the clinics include the following:

⁸ Financial products and services associated with Financial Education in Your Community projects were not developed or underwritten by FINRA Foundation grant funds. These services were offered to graduates of the FINRA Foundation-sponsored financial education programs by public utilities or partner nonprofit organizations.

- **Florida International** gathered detailed information from six small investors who called the clinic regarding the conduct of one broker managing their retirement accounts.
- **Georgia State's** clinic director, associate dean and others involved with the clinic welcomed Foundation and FINRA Dispute Resolution staff for an orientation meeting and tour of the school's facilities in downtown Atlanta. The school hired a clinical professor and will open the clinic to investors during the 2013 fall semester.
- **Howard University** accepted three new cases. One of them involved the handling of an order for a small number of Facebook shares during the company's initial public offering. The second case involved a 90-year-old whose broker disregarded instructions not to invest in bonds, causing the client losses as the bonds were sold following the discovery of the unauthorized purchases. The third case involved the failure of a broker to abide by a power of attorney granted by an elderly client to her son resulting in losses to the client, as the son was unable to place orders to sell some of the investments on a timely basis.
- **Michigan State** hired the clinic director. Foundation and FINRA Dispute Resolution staff planned an orientation meeting at the school to be held during February 2013. The school plans to open the clinic during the fall semester of 2013.
- **Pepperdine** successfully defended a motion to vacate an arbitration award in the Los Angeles Superior Court, which affirmed the award to pay \$40,000 to the investor. The firm subsequently paid the full amount. The clinic also continued managing three cases currently filed for arbitration. They are at different stages of the arbitration process: discovery; pre-hearing conference; and arbitrator selection. Hearing dates are set for early 2013.
- **Suffolk** negotiated settlements in a handful of pending matters and prepared for a hearing on one matter filed for arbitration. The law school posted a video on YouTube featuring two of the clinic students and the client they served on a matter that was successfully concluded for the investor.
- **Seton Hall** was the subject of a newspaper article in a major state paper featuring several of the clients, including a WWII veteran whose case was handled by a clinic student, himself a veteran of the Iraq and Afghanistan wars. The article generated some dozen calls from small investors whose cases are being considered by the clinic, as well as several requests for the investor education presentations.
- **University of Miami** negotiated a settlement for one of the cases it had filed for arbitration and prepared for the hearing on another case already filed. The clinic filed an additional matter for arbitration in November 2012.

Highlights of the community education efforts during the fall of 2012 include over a dozen events by Seton Hall for audiences in public libraries, colleges, middle and high schools and other local venues. Pepperdine presented the *Trick\$ of the Trade: Outsmarting Investment Fraud* program in a Los Angeles library at the end of October and scheduled several presentations for early 2013. Howard and the University of Miami presented to college and high school students in their respective states. The schools started making arrangements for events during which the students will conduct community presentations to various audiences during 2013.

B. Targeted Projects

As described in detail below, the Foundation continued to support four previously-approved targeted projects during the quarter: the Military Financial Readiness Project; the Investor

Protection Campaign (IPC); the National Financial Capability Study (NFCS); and the Teen Financial Literacy Project. Moreover, on December 11, the Board approved an additional \$4.7 million to continue supporting the IPC and NFCS during 2013.

- i. **Military Financial Readiness Project** – We continued using research, partnerships and outreach to deliver high-quality information and tools to the military. Primary activities for the quarter included meetings with project partners, distribution of materials and tools, ongoing research and monitoring of a public advertising campaign. We also hired a new Associate Director—Military Financial Readiness to lead the project in the years ahead.

As of the end of 2012, 383 participants in the Foundation's Military Spouse Fellowship Program have earned Accredited Financial Counselor status⁹ with several hundred more actively pursuing the credential. Program fellows have logged more than 357,000 practicum hours in their communities. During the quarter, fellows conducted: 2,100 individual counseling sessions reaching 3,000 clients; more than 30 group counseling sessions reaching another 700 clients; and over 315 classes reaching nearly 4,500 individuals. For the year, fellows serviced almost 31,000 individuals through 9,400 counseling sessions and 1,170 classes. Graduates continue to serve in significant positions throughout the military community.

During the quarter, the military spouse fellowship program team—composed of leadership from the FINRA Foundation, the Association for Financial Counseling and Planning Education (AFCPE) and the National Military Family Association—gathered to prepare for the 2013 application period during which an additional 50 military spouses will be selected for the program. AFCPE also moved forward on development of a “Financial Checkup” continuing education course for installation Personal Financial Managers (PFMs). In October, we joined Military Saves for brainstorming sessions with spouse fellows in Norfolk, Virginia, and Washington, DC. Military Saves is seeking ways to mobilize our fellows to support Military Saves Week 2013 (February 25–March 2). We also met with a group of spouse fellows from around the world during the AFCPE Conference in St. Louis, Missouri, in mid-November.

The Foundation continued distribution of tools and resources to help service members and their families manage their money with confidence. In the quarter, we distributed the myFICO[®] credit score management and education tool to more than 7,400 military service members and spouses, bringing the full year total to more than 46,000. The tool is offered to active duty service members and their spouses at Foundation forums and by military financial educators, spouse fellows, counselors, relief societies and the National Guard Bureau, both in face-to-face counseling and through classroom instruction. Also with support from our partners, we distributed a variety of financial education publications.

We continued to use both paid and earned media to raise awareness of the Foundation's military program and to deliver tips and tools to military families. The Foundation coordinated with a public relations firm, GMMB, to monitor coverage of military financial issues and conduct outreach to reporters and other media. Our online paid advertising campaign, which launched in June, continued throughout the quarter, driving military

⁹ As reported in prior quarters, the FINRA Foundation Military Spouse Fellowship provides military spouses with the training they need to earn the Accredited Financial Counselor[®] (AFC[®]) designation. This accreditation, in turn, equips military spouses with marketable job skills and the resources and expertise they need to help military families overcome financial obstacles.

families to the tools and resources available on the project website. The campaign included a content distribution partnership with Military.com (whereby tips and articles authored by the Foundation's communications consultant appear on this high-traffic, military-serving news outlet), placements on an online advertising network targeting the military community and search ads through Google and the Yahoo! Bing Network. Overall, the campaign advertisements exceeded our goals in driving web traffic to the SaveAndInvest.org website and increasing the fan base and engagement with SaveAndInvest.org's Facebook page. Messages focused on credit, debt and spending were generally more effective at generating visitors than those focused on saving. The campaign resulted in 122 million impressions yielding 85,000 click-throughs at an average cost-per-click under \$5, which is lower than the industry benchmark of \$5.33¹⁰ and represents an improvement over prior years. During the fourth quarter, total likes and subscribers for SaveAndInvest.org's Facebook page increased approximately 43 percent from 8,073 to 11,576. In 2012, the SaveAndInvest.org Facebook page reached over 7 million Facebook users.¹¹ We extended our reach through earned media mentions on MilitaryTimes.com and other news media.

Other activities in the quarter, carried out in collaboration with a variety of consultants and partners, included: daily engagement with the project's target audience of service members, military spouses and military financial educators through social media; updates to a suite of financial literacy modules for delivery by BBB Military Line partners; posting the latest in a series of "how to" videos, [How to Build a Budget](#), to SaveAndInvest.org and YouTube; and creation and monthly delivery of a military-focused newsletter to nearly 17,000 subscribers.

- ii. **Investor Protection Campaign** – The Foundation's research-based campaign is intended to help investors understand how they might be susceptible to investment fraud and to replace risky investment behaviors with fraud detection and prevention behaviors. Throughout the year, we focused on establishing key national partnerships to maximize the distribution of our fraud prevention messages and resources. We also began to experiment with new delivery channels. Primary activities for the quarter included training of additional fraud fighters, distribution of materials and tools, participation in presentations and events, monitoring of a public advertising campaign and earned media outreach.

Working closely with the National White Collar Crime Center and FINRA's Office of Fraud Detection and Market Intelligence, we conducted a law enforcement training on November 9 in Vancouver, Washington. The full-day training—"Targeting Investment Fraud"—provided local law enforcement professionals and investigators with a primer on investment fraud, investigative tips, resources and fraud prevention tools. It also included a panel featuring an enforcement attorney from the Washington Department of Financial Institutions, a prosecutor from King County, Washington, and representatives from U.S. Attorneys' Offices in Washington and Oregon. Additional trainings are planned for 2013.

¹⁰ The cost-per-click benchmark for education-related advertising campaigns overall is \$5.33. However, the cost-per-click for targeting a narrowly-defined audience segment, such as military service members, is generally higher than the cost-per-click for targeting a broad population. We are not aware of segment-specific benchmarks such as the cost-per-click of reaching a military audience (which, at less than 1 percent of the general population, constitutes a narrow segment). Working with public relations consultant GMMB, the Foundation regularly monitored the effectiveness of our advertising to deliver most frequently those ads that generated the greatest number of clicks at the least cost to the Foundation.

¹¹ When used in the context of Facebook metrics, "reach" refers to the number of Facebook users for whom SaveAndInvest.org's content appeared in their newsfeed, timeline or ticker or who viewed it on the SaveAndInvest.org fan page. It includes users that viewed SaveAndInvest.org content through a promoted post (paid advertising content).

With support of our partners, we reached more than 2,600 consumers, law enforcement professionals and victim advocates during the quarter with the *Outsmarting Investment Fraud* curriculum. This includes 8 events in which the Foundation directly participated, and another 45 in which our partners presented the Foundation's messages. For example, in October, we participated in a series of Investor Fraud Summits sponsored by the U.S. Department of Justice and the SEC in the following cities: Stamford, Connecticut; Miami, Florida; and Denver, Colorado. The events featured U.S. Attorneys, as well as senior officials from the Department of Justice, SEC, Commodity Futures Trading Commission and the Federal Bureau of Investigation. Open to community members, law enforcement personnel, victim advocates and others, the summits profiled what federal and state regulators and law enforcement are doing to protect investors and to highlight the "red flags" of investment fraud. Other presentations for the quarter included, among others: the BBB Centennial Celebration in early October; the International Society of Crime Prevention Practitioners' annual meeting in mid-October; and the National Institute on Law and Aging in November. We held an investor forum at a Sun City community in Georgetown, Texas, in December, where we were joined by the SEC and the Texas Securities Board. Meanwhile, our partners—including BBBs, crime prevention organizations, campaign consultants and other regulators—held programs at local community centers, churches, senior living communities and businesses. Over the course of the full year, the campaign directly reached nearly 15,000 individuals through 280 events or presentations in 27 different states.

The four Fraud Fighter Call Centers (three operated by the AARP Foundation and one operated by the National Telemarketing Victim Call Center) continued calling consumers with fraud prevention messages. Through year-end, the call centers collectively provided direct fraud prevention counseling to almost 42,000 investors nationwide as well as indirect counseling in the form of a scripted voicemail message¹² to another 120,000. Findings from an evaluation conducted in September revealed that many call center clients are hearing the message, retaining it and recalling it compared to controls. The content that was most robustly recalled were tips and strategies that fraud experts and regulators believe to be the most vital to deterring victimization—only buy from registered professionals and only deal with registered investments.

We also continued to pursue our investor protection research agenda. In October 2012, the Foundation participated in a faculty workshop hosted by the Financial Fraud Research Center—a joint project of the Foundation and Stanford's Center on Longevity—aimed at encouraging research on financial fraud. Later in the quarter, the Center published a white paper entitled, *Scams, Schemes & Swindles: A Review of Consumer Financial Fraud Research*.¹³ The publication is the first to comprehensively examine the issue of retail financial fraud. The Center also awarded the first round of seed funding for a study that will examine the relationship between emotional states and fraud susceptibility. Meanwhile, the Foundation completed data collection for a national survey of financial fraud prevalence and susceptibility which will be publicly released in 2013 and coordinated with the Stanford Department of Psychology on an ongoing brain-imaging study of individual differences in susceptibility to investment fraud.

¹² In an earlier program evaluation, the AARP Foundation and Stanford University found that even those individuals receiving a voicemail message showed an increase in knowledge of how to avoid fraud compared to a control group.

¹³ *Scams, Schemes & Swindles: A Review of Consumer Financial Fraud Research* is available on the Financial Fraud Research Center website, www.fraudresearchcenter.org.

Throughout the fourth quarter, we distributed more than 13,000 *Trick\$ of the Trade: Outsmarting Investment Fraud* documentary DVDs and approximately 22,000 *Fighting Fraud 101* brochures, in addition to a host of other publications and materials.¹⁴ Working with a public relations consultant, GMMB, the FINRA Foundation sustained a media presence around important investor protection topics, while leveraging positive, high-quality coverage among broadcast, print, radio, trade and social media. From October through December, there were nine stories focused either on the Foundation's Investor Protection Campaign or on other investor protection initiatives with a mention of the Foundation's program. These articles and interviews created a potential 8.8 million impressions (inclusive of circulation, viewers and listeners) through their placements. One article of particular note is a December 13th piece on MarketWatch.com entitled "Can Better Business Bureau help investors?" which highlighted the Foundation's partnership with the BBB. The article followed the launch of a "Smart Investing" section on the BBB website, www.bbb.org/smartinvesting, which features Foundation content and tools. This media alone garnered an estimated 2.3 million impressions/circulation. The Foundation also benefited from content syndicated through the North American Precis Syndicate (NAPS). In 2012, NAPS distribution resulted in 1,425 print and online articles and radio announcements based on seven Foundation fraud prevention articles and one radio segment. This equals 1.6 million estimated circulation/print impressions, 18 million estimated unique monthly visitors online and 550,000 estimated radio audience listeners.

Paid media outreach focused on generating visits to SaveAndInvest.org, promoting orders of the *Trick\$ of the Trade* documentary and increasing engagement with other online content, such as the Risk Meter and FINRA BrokerCheck. The Foundation and GMMB monitored the national digital advertising campaign, which launched in June. The flight included: online display, video and e-newsletter advertisements with AARP; paid search placements; and online banner advertising, video pre-roll and email display advertising associated with Microsoft properties, including MSN Money and MSNBC Business. The campaign was successful in driving quality traffic to SaveAndInvest.org, out-performing industry benchmarks. The campaign also drove users who saw an advertisement to take a desired action on the website, including interacting with the Risk and Scam Meters and ordering the DVD. The campaign's overall conversion rate (from advertisement exposure to website action) was 4.9 percent, far above the industry average of 2 percent. Placements were most effective in contextually relevant environments (Money, Finance, Retirement, Scams and Fraud). The campaign resulted in more than 402 million impressions yielding 454,000 click-throughs at an average cost-per-click just over \$3.¹⁵

The Board approved on December 11 the continuation of the project through 2013 with a budget of \$4.29 million. The 2013 plan is summarized in Exhibit A – Attachment 1 and in the 2013 strategic plan included in Section II.

¹⁴ As reflected in greater detail in Section III below, expenditures for "Materials Production and Distribution" increased substantially in the fourth quarter of 2013 compared with prior quarters during the year as the Foundation replenished inventory of DVDs and other materials for continued distribution.

¹⁵ This is significantly better than the cost-per-click benchmark of \$5.33 for education-related advertising campaigns. Working with public relations consultant GMMB, the Foundation regularly monitored the effectiveness of our advertising to deliver most frequently those ads that generated the greatest number of clicks at the least cost to the Foundation.

- iii. **National Financial Capability Study** – The National Financial Capability Study (NFCS) assesses the financial capability and literacy of U.S. adults. On November 8, 2011, the President’s Advisory Council on Financial Capability approved a recommendation that the Department of Treasury and other agencies consult on the development, fielding and dissemination of data from the 2012 NFCS. This second wave of the NFCS builds upon the success of, and allows comparisons to be made with, the initial 2009 study. The new data will also enable researchers to identify trends and better understand the effects of financial literacy initiatives in the context of the economic turmoil and recent legislative changes.

The 2012 NFCS comprises two surveys: a state-by-state survey and a military survey. We completed data collection for both surveys in November, triggering milestone payments to the lead research team. The final military sample contains more than 1,300 responses, which is a substantial increase of over the 2009 sample size of 800 respondents. The final state-by-state sample contains over 25,000 responses. We also worked during the quarter with the RAND Corporation to prepare for collection of another national sample from RAND’s American Life Panel (ALP)—which will allow researchers to conduct longitudinal research and combine NFCS data with other sources of data.

On December 11, the Board approved an additional \$450,000 to be spent in 2013 for effective distribution of results from the 2012 National Financial Capability Study, including through the support of research projects using the data, the facilitation of access to NFCS-related data and information, and the promotion of study findings and project benefits. The 2013 plan is summarized in Exhibit A – Attachment 1 and in the 2013 strategic plan included in Section II.

- iv. **Teen Financial Literacy Project** – *Generation Money: Improving the Financial Literacy of America’s Teens* is a collaborative effort among the Foundation, the Consumer Federation of America (CFA) and Channel One, which serves as the chief communications provider. The project addresses the personal finance topics that are most important for teens to understand and use in everyday situations as they begin to assume financial responsibility in their lives. This campaign includes several, integrated components: public service announcements (PSAs); broadcast feature segments as part of Channel One News; classroom materials for display and instruction; on-demand video; web-based interactives; and learning resources for students and teachers.

At the September meeting, the Board approved the continuation of the project for the 2012–2013 programming season. During the fall, the project partners: met with the chief news editor and CFA to provide pre-programming ideas for broadcast news features; produced a new animated personal finance PSA; conducted student and teacher panels to test new deliverables; and outlined additional lesson plans for our series on the mathematics of personal finance. Project staff also met with the website design team to refresh the campaign landing page, give greater prominence to the *Generation Money* PSA series, profile stories of students who are high-achievers in the area of personal finance, and highlight the archive of lesson plans exploring the mathematics of personal finance. We worked with the third-party evaluator to enhance the program evaluation, and reviewed and fielded the pre-campaign evaluation instrument. The project website (www.channelone.com/generationmoney) provides access to all deliverables—print, video and interactive. Foundation staff had an opportunity to share details about *Generation Money* and its outcomes during a plenary panel discussion at CFA’s Annual Financial Services Conference on November 30, 2012.

C. Administrative Matters

- i. **Board** – On December 17, FINRA reappointed for another three-year term Ms. Idalia P. Fernandez and Dr. Sharon P. Smith as public members of the Foundation Board.
- ii. **Budget** – The Board approved at its December 11 meeting the Foundation's 2013 budget in the amount of \$15.2 million, including current grant commitments payable in 2013, approved expenditures for the targeted projects previously described and small amounts for general and administrative expenses. The budget included \$3.6 million in contributed services from FINRA. Only the portion of expenditures eligible as a shared expense will be incurred by the Global Settlement Funds.

* * *

A summary of grants and projects approved and declined in the quarter is included as Exhibit A.

II. Strategic Plan for Upcoming Year

In September 2012, the Board reviewed progress toward accomplishing the goals in the Foundation's 2012–2015 Strategic Plan, which coincides with the expected spend down of the Funds. The plan:

- Retains the Foundation's existing overall programmatic and grantmaking structure and priorities, while gradually scaling back expenditures as the Funds are depleted;
- Leverages prior investments made by the Foundation by ensuring that previously supported resources are used to maximum benefit and scale;
- Encourages greater collaboration among the Foundation's program partners and grantees, and builds their capacity to reach and engage audiences;
- Continues to measure and explicate the financial capability of Americans;
- Continues to evaluate Foundation-supported work to understand its effectiveness and to optimize marketing and dissemination efforts;
- Retains existing limits on undertaking public policy initiatives; and
- Gives priority to established rather than new programs.

The strategic plan aspires to keep the Foundation flexible and responsive to a changing economic climate that will require Americans to reexamine their financial behaviors and knowledge frequently. The Foundation is on track to complete its strategic objectives. The Board did not propose substantive changes to the plan, but did emphasize the importance of collecting and analyzing outcomes data across all grants and directed programs. The Board reviews the plan annually.

Board meetings for 2013 are scheduled for June 18, September 24 and December 10.

A. Grant Programs

We will award grants through existing programs, including the General, Smart investing@your library®, Financial Education in Your Community and Investor Advocacy Clinic Grant Programs. In addition to these ongoing grant opportunities, the Foundation will continue to manage approximately 85 active grant projects, more than a third of which are scheduled for completion

in 2013. Resources and research resulting from Foundation-funded projects are publicly available on the Foundation website, www.finrafoundation.org.

- i. **General Grant Program** – Through the General Grant Program, the Foundation funds research and educational projects that support its mission of providing underserved Americans with the knowledge, skills and tools necessary for financial success throughout life. In 2013, the Foundation will be especially interested in applications for projects of approximately \$50,000–\$100,000 that advance understanding of the relationships among financial literacy, financial capability and financial well-being. Priority will be given to projects that use data from the National Financial Capability Study and other existing data sets. Applications will also be accepted for other education and research projects that meet the financial and investor education and protection needs of underserved audiences. The Foundation places high priority on reaching and engaging a well-defined target audience, and encourages collaboration and strategic partnerships that facilitate effective marketing and distribution efforts.

Since inception through in 2004, the Foundation has awarded 64 grants totaling more than \$19.8 million through the General Grant Program and specific Requests for Proposals.

- ii. **Smart investing@your library[®]** – We will continue our partnership with ALA to expand the Smart investing@your library[®] program. Additional libraries will be invited to apply starting in the first quarter of 2013. The Foundation will also invite select past grantees that have successfully completed projects to submit applications for project renewal or expansion. As designed by ALA and the Foundation, the program provides grants in the range of \$5,000–\$100,000 to fund efforts to provide library patrons with access to effective, unbiased financial education resources. Grant recipients—public libraries, public library networks and community college libraries across the country—use a variety of technologies and outreach strategies to bring quality financial and investor education opportunities within easy reach of diverse groups of library patrons at no cost to them. The grantees partner with an array of organizations, including schools, universities and local agencies, to expand the impact of the services and resources enabled by the grants. The program is especially concerned with helping those who might otherwise have limited access to important information relevant to their financial well-being. The Board will award the majority of library grants during the December meeting. Candidates for renewal projects may also be considered at earlier meetings.

From 2007 through 2012, the Foundation has approved 95 Smart investing@your library[®] grants totaling \$7.1 million to libraries and library networks throughout the United States. New project sites approved in December 2012 will convene for a Foundation-led training seminar held in conjunction with the ALA Midwinter Meeting in Seattle in January 2013. The training will focus on outcomes-based evaluation, staff development for effective program delivery and social marketing strategies to reach and engage community members, among other topics. We will continue to engage with our active grantees through regular communication and periodic site visits, as needed. A third-party evaluation of the grant program is ongoing. The evaluator will issue an annual report in the fourth quarter of 2013.

- iii. **Financial Education in Your Community** – The Foundation will again partner with United Way Worldwide to jointly administer the Financial Education in Your Community program. The program is designed to help community-based organizations serve the needs of low- and middle-income working Americans through sustainable and replicable models emphasizing strong community partnerships. The Foundation and United Way provide

resources and technical assistance to grantees throughout the grant term. Organizations will be invited in the second quarter to apply for grants ranging from \$5,000-\$150,000. These grants will be awarded to community-based organizations that have demonstrated the ability to reach and engage working individuals and families through effective social marketing techniques. We are especially interested in proposals that demonstrate a strong awareness of potential barriers to audience participation and propose strategies for overcoming these barriers. We look favorably on innovation and creativity, on projects that leverage previous organizational success and on work that is sustainable or builds the capacity of the applicant organization. The Board will select community grant recipients during the December meeting.

From 2009 through 2012, the Foundation awarded 47 Financial Education in Your Community grants totaling \$5.7 million. Grantees selected in 2012 will convene at the end of the first quarter of 2013 for an intensive training program. Workshops will focus on several core competencies: social marketing; principles of adult learning; elements of successful financial education; and assessment and evaluation. We will continue to engage with our active grantees through regular communication and periodic site visits, as needed. The evaluator will issue an annual report in the fourth quarter of 2013.

- iv. **Investor Advocacy Clinic Grant Program** – This program provides start-up funding and assistance to law schools that establish investor advocacy clinics in high-need areas. The clinics enable supervised law students to provide legal assistance and other advice to investors at little or no cost. We are not currently planning to award additional grants in 2013 to establish new investor advocacy clinics. We will, however, continue to engage with the existing clinics through regular communication and periodic site visits. Since 2009, the Foundation has awarded eight Investor Advocacy Clinic Program grants totaling \$2.0 million.

B. Targeted Projects

- i. **Military Financial Readiness Project** – On February 16, 2006, the Foundation launched a comprehensive campaign to deliver financial education tools and training to military service members and their spouses. Over the past six years, we have focused on reaching service members directly through forums and distribution of myFICO® and also engaging military commanders and civilian leadership at the Department of Defense. We also have cultivated a growing network of military financial educators, including installation Personal Financial Managers (PFMs) and FINRA Foundation Military Spouse Fellows, to serve as force multipliers for our efforts.

During 2013, we will leverage the project's successes by completing important research, strengthening existing partnerships and cultivating new ones, and continuing our public awareness and outreach activities—focusing on relevant themes of transition and resilience. Specifically, we will complete the debt causation research commenced in 2011 and will release results of the 2012 Military Financial Capability Survey (a component of the National Financial Capability Study). With respect to partnerships, our primary goal will be to continue equipping military financial educators and partners with existing, much-needed tools and resources. We will again work closely with Military Saves, BBB Military Line and other organizations that directly reach service members and their families and will separately engage military financial educators through PFM and spouse fellowship programs in partnership with AFCPE and the National Military Family Association. We will distribute new and existing tools and resources, including myFICO® and Foundation-created action plans and toolkits, while simultaneously leveraging other Foundation-funded

materials (including those developed by grantees and by the Foundation's Teen Financial Literacy Project and Investor Protection Campaign). Finally, we plan to continue building awareness of the campaign primarily through our "boots on the ground" outreach to leadership and service members at face-to-face forums and earned media and also through narrowly targeted paid advertising.

During the first quarter of 2013, we will actively support Foundation partners and military families. We will travel to military installations worldwide and the Pentagon on and around Military Saves Week (February 25 – March 2). Working with AFCPE and the National Military Family Association, we will accept applications to the 2013 FINRA Foundation Military Spouse Fellowship class. AFCPE will also offer the first in a series of professional development webinars for military financial educators. BBB Military Line will announce a set of updated, co-branded financial literacy modules and lay out a training schedule for local BBB and the Foundation's spouse fellows. We will also look for ways to collaborate with the CFPB's Office of Servicemember Affairs, the American Bar Association (ABA) Home Front and the Yellow Ribbon Fund, among others. All the while, we will support and distribute the credit score and education tool, myFICO®.

- ii. **Investor Protection Campaign** – The Investor Protection Campaign launched in 2008 with a vision to reduce the incidence of investment fraud among investors. Guided by a growing body of research around investment fraud victimization, we have employed a variety of tactics to maximize outreach and impact including: educational events; public television and DVD distribution of an award-winning documentary; national, state and local partnerships that are facilitating a growing network of on-the-ground "fraud fighters"; leadership in the area of financial fraud research collection and dissemination; and a robust outreach effort.

Throughout 2013, we will distribute existing tools, while expanding our program with new resources and through innovative delivery channels that will complement our investor protection messaging. New resources will include: a broadcast-quality documentary on behavioral finance and the related pitfalls in consumer decision-making; a training collaboration with the National Center for Victims of Crime for grassroots organizations that interface with victims of financial crimes; and a financial fraud prevention video game that we began working on in 2012 with the Doorways to Dream (D2D) Fund.¹⁶ With respect to research, we will again support the Financial Fraud Research Center while concluding ongoing research examining the antecedents and consequences of financial fraud. We will leverage established outreach partnerships with the AARP Foundation, Council of Better Business Bureaus, National Telemarketing Victim Call Center and other regulators and build new strategic partnerships with the Alliance for Retired Americans and the National Crime Prevention Council to increase the reach of the campaign. Our law enforcement outreach will continue to expand to include not only crime prevention organizations but also financial crime detection professionals through our investment fraud training collaboration with the National White Collar Crime Center. Finally, we plan to continue building awareness with consumers of the red flags of fraud and related resources available on the

¹⁶ Data from the Entertainment Software Association shows that 29 percent of Americans over the age of 50 play video games, and AARP reports that Internet traffic to the AARP.org gaming page is among the highest on its website. In an effort to innovate the delivery channels for our fraud prevention messages, we are partnering with D2D to develop and test a casual video game. D2D has extensive experience with using short-duration, casual games as an entertaining method for teaching financial education concepts. More than 200 million Americans play casual games online each month. A pre-development survey completed in the third quarter of 2012 revealed receptivity to a fraud-fighting game on how to recognize and fight fraud among middle income adults (both men and women aged 25–44), with more than 40 percent of respondents indicating a high level of interest in learning about ways to avoid financial fraud.

SaveAndInvest.org website through narrowly targeted paid advertising, earned media and syndicated content distribution.

During the first quarter, we will focus on partnership development and outreach. We will execute agreements with new and existing partners, and map our work flow for the year. One of our first activities in the new year will be selecting a design concept for the fraud prevention video game. Once the design concept is selected, the D2D Fund will call upon their network of professional game developers and innovators to refine the concept before heading into development. Working with the National White Collar Crime Center and other regulators, we will train law enforcement professionals in Texas through our *Targeting Investment Fraud* collaboration. We will join together with the National Center for Victims of Crime to host the first in a series of stakeholder meetings towards development of financial fraud victim support resources. Local Better Business Bureaus and other grassroots organizations will expand the campaign into communities nationwide through public events and materials distribution. We will directly engage consumers through Foundation-staffed presentations, materials distribution and social media vehicles. We do not plan to initiate paid advertising in the quarter; however, we will continue to work with our public relations consultant to analyze 2012 successes and challenges, strategize 2013 outreach and prepare for a targeted advertising campaign later in the year.

- iii. **National Financial Capability Study** – The Foundation first conducted the National Financial Capability Study in 2009 to benchmark and better understand how American adults handle their personal finances. The study covered four key categories: 1) making ends meet; 2) planning ahead; 3) managing financial products; and 4) financial knowledge and decision-making. The 2009 NFCS garnered significant media coverage on release, and earned public attention and comment. Data has been used by a wide variety of stakeholders including academics, policymakers, media and personal finance educators. In September 2011, the Foundation Board approved fielding of the second wave of the National Financial Capability Study, a two-part study comprising a State-by-State Survey and a Military Survey. Two months later, the President's Advisory Council on Financial Capability approved a recommendation that the Department of Treasury and other relevant organizations collaborate with the Foundation on the NFCS. The second wave, which was fielded in the fall of 2012, will provide a great deal of valuable comparative data when used in combination with the initial 2009 wave of the NFCS.

With data collection completed in the fourth quarter of 2012, our next step is to enable widespread access to, and use of, the data and findings from both waves of the NFCS. To that end, the Foundation will renew a contract with a public relations firm, Porter Novelli Public Services to update and enhance the current NFCS website at www.usfinancialcapability.org. (Porter Novelli designed and constructed the original, award-winning version of the site.) During the first and second quarter, Porter Novelli will implement significant modifications to the existing website to accommodate the new reports and datasets. Key elements of the work include the following: redesigning the site to accommodate comparison of 2009 and 2012 data via an interactive tool; adding a military section that includes intra-military comparisons; creating a research section that includes more detailed information on the survey, methodology and downloads and offers researchers the ability to submit questions and information about the study; implementing of mobile-friendly data visualization technology for use with tablets and smartphones; and uploading and validating data tables and managing other site content.

Separately, building on the successful launch strategy in 2010 of the State-by-State component, Porter Novelli will support the Foundation in implementing an earned media

campaign that announces key findings and availability of the data. We expect to release the findings and data for the State-by-State Survey component of the NFCS in the second quarter of 2013 and Military Survey component in the third quarter. Data from the American Life Panel respondent pool will be available for analysis in the second half of the year. The Foundation also seeks to foster increased usage of the NFCS data sets by academics, policymakers and other stakeholders. We will contract with prominent researchers to develop issue briefs based on the 2012 NFCS data. Two experienced and well-respected researchers from the Urban Institute will produce one fact sheet based on the 2012 State-by-State Survey data and an issue brief based on the ALP data. Further, an economics professor at the U.S. Military Academy at West Point who serves as the Deputy Director of the Office of Economic and Manpower Analysis will produce a white paper that utilizes the 2009 and 2012 Military Survey data to explore financial capability in the military.

- v. **Teen Financial Literacy Project** – Since 2008, the Foundation has partnered with Channel One and the Consumer Federation of America (CFA) on *Generation Money: Improving the Financial Literacy of America's Teens*. The project addresses personal finance topics that are most important for teens as they begin to assume financial responsibility in their lives. Channel One Network serves as the chief media provider for the project. Channel One distributes technology and daily broadcast programming—Channel One News—via satellite to secondary school classrooms across the country. By harnessing this delivery channel for our project, we have employed a very cost-effective financial education strategy that is integrated into the existing instructional day and does not compete with the time demands on teachers and students as they strive to meet academic standards.

We will expand the roll-out of *Generation Money* during the first and second quarters of 2013. The continuation plan leverages deliverables prepared during prior years of the project, incorporates new narrative elements (an additional animated PSA and new broadcast features), continues the distribution of the instructional posters showing the impact of interest on savings and debt, makes use of Channel One's various multimedia distribution mechanisms, and enhances the program evaluation. Channel One will continue to maintain and promote the *Generation Money* landing page at www.channelone.com/generationmoney. All new and previously produced broadcast segments will be available on demand from the site, along with the PSAs, lesson plans focusing on the mathematics of money (created by a consulting mathematics teacher with financial literacy expertise) and classroom discussion guides. As in prior years, the project team will engage a third-party research company to measure project impact.

- C. **Administrative Matters** — Board meetings for 2013 are scheduled for June 18, September 24 and December 10. In accordance with the Foundation's bylaws and certificate of incorporation, the sole member of the Foundation (FINRA) will hold an annual meeting during the fourth quarter.

III. Accounting of Receipts and Expenses for Global Settlement Funds

In the fourth quarter of 2012, the Foundation incurred \$4.1 million in expenses of which \$2.3 million was allocated from Global Settlement Funds and \$1.8 million was allocated from FINRA Funds. The following table presents the portion of receipts and expenses applicable to the Global Settlement Funds for the quarter and year-to-date ended December 31, 2012.

	2012				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date ⁽¹⁾
Receipts and Receivables:					
Dividend Income ⁽²⁾	\$ 631	\$ 572	\$ 502	\$ 468	\$ 2,173
Total Receipts and Receivables	631	572	502	468	2,173
Expenses:					
Grant Programs ⁽³⁾					
General Grant Program	285,867	225,139	127,983	104,412	743,401
Library Grant Program	495,643	83,557	56,300	215,945	851,445
United Way Grant Program	740,522	294,104	(47,575)	15,750	1,002,801
Investor Advocacy Clinic	218,750	43,750	140,000	-	402,500
Grant Programs Total	1,740,782	646,550	276,708	336,107	3,000,147
Targeted Projects					
Military Financial Readiness Project ⁽⁴⁾					
a. Research					
Topic and Audience Research	-	-	-	19,600	19,600
Research Sub-Total	-	-	-	19,600	19,600
b. Educational Programs and Partnerships					
Website and Online Tools	115,247	89,648	111,373	73,119	389,387
Personal Financial Manager Programs	-	6,650	16,170	-	22,820
Military Spouse Programs	29,085	28,700	60,200	11,200	129,185
Partnerships	-	35,872	45,500	45,500	126,872
Educational Programs and Partnerships Sub-Total	144,332	160,870	233,243	129,819	668,264
c. Outreach Campaign					
Paid Media and Public Awareness	15,310	43,732	138,300	82,300	279,642
Public Relations and Other Consultants	67,518	86,406	74,228	64,724	292,876
Materials Production and Distribution	41,627	56,871	67,291	30,564	196,353
Forums, Events and Travel	27,008	7,818	2,214	1,945	38,985
Outreach Campaign Sub-Total	151,463	194,827	282,033	179,533	807,856
Military Financial Readiness Project Total	295,795	355,697	515,276	328,952	1,495,720
Investor Protection Campaign ⁽⁵⁾					
a. Research					
Financial Fraud Research Center	30,438	-	60,876	51,438	142,752
Topic and Audience Research	-	51,922	25,672	26,250	103,844
Research Sub-Total	30,438	51,922	86,548	77,688	246,596
b. Educational Resources and Programs					
Website and Online Tools	-	49,000	52,500	53,568	155,068
Curriculum and Documentary - Outsmarting					
Investment Fraud	1,575	-	2,800	-	4,375
Training Programs	-	43,750	-	15,750	59,500
Educational Resources and Programs Sub-Total	1,575	92,750	55,300	69,318	218,943
c. Outreach Campaign					
Paid Media and Public Awareness	4,950	121,735	451,042	454,002	1,031,729
Public Relations and Other Consultants	82,833	116,486	112,541	90,787	402,647
Outreach Partnerships	80,500	133,000	271,267	197,750	682,517
Materials Production and Distribution	10,985	73,571	53,124	145,498	283,178
Forums, Events and Travel	27,196	40,998	8,690	17,395	94,279
Outreach Campaign Sub-Total	206,464	485,790	896,664	905,432	2,494,350
Investor Protection Campaign Total	238,477	630,462	1,038,512	1,052,438	2,959,889
National Financial Capability Study ⁽⁶⁾	1,523	91,210	51,817	210,189	354,739
Teen Financial Literacy Project ⁽⁷⁾	62,589	20,864	146,043	145,397	374,893
Targeted Projects Total	598,384	1,098,233	1,751,648	1,736,976	5,185,241

Accounting of Receipts and Expenses for Global Settlement Funds (continued)

	2012				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
General and Administrative					
Program Related					
Grant Administration ⁽⁸⁾	41,730	61,977	75,374	133,752	312,833
Program Related Sub-Total	41,730	61,977	75,374	133,752	312,833
Other					
Contract Services ⁽⁹⁾	11,328	12,723	20,921	692	45,664
Travel and Meetings ⁽¹⁰⁾	7,133	9,246	10,310	18,907	45,596
Postage, Printing and Other ⁽¹¹⁾	23,075	22,696	21,887	25,089	92,747
Other Sub-Total	41,536	44,665	53,118	44,688	184,007
General and Administrative Total ⁽¹²⁾	83,266	106,642	128,492	178,440	496,840
Total Expenses	\$ 2,422,432	\$ 1,851,425	\$ 2,156,848	\$ 2,251,523	\$ 8,682,228

- (1) We note that, from quarter to quarter, reclassifications of expenses might occur within a subcategory although year-to-date totals by project remain the same.
- (2) Dividend Income reflects income earned on the Global Settlement Funds, which are invested in a U.S. treasury fund consistent with the terms of the Settlement.
- (3) Grant Programs consist of expenses related to grants to other organizations approved by the Foundation's Board. These grants align with the Foundation's strategic priorities. They are paid in installments based on the achievement of project milestones or adequate progress toward deliverables. Grantees that complete their projects under budget are required by the terms of the grant agreement to return unspent grant funds to the Foundation. This accounts for any negative amounts shown on this schedule. For more detail concerning payments to individual grantees, please see Exhibit B.
- (4) Military Financial Readiness Project consists of costs related to ongoing outreach and programs to help military service members and their families manage their money with confidence.
- (5) Investor Protection Campaign consists of expenses related to research, education and outreach to help investors learn to spot and avoid investment fraud. Expenditures for "Materials Production and Distribution" increased substantially in the fourth quarter of 2012 compared with prior quarters as the Foundation replenished inventory of DVDs and other materials for continued distribution.
- (6) National Financial Capability Study is composed of costs related to a survey of financial capability and literacy of adults in the United States.
- (7) Teen Financial Literacy Project consists of costs related to *Generation Money: Improving the Financial Literacy of America's Teens*. This is conducted in partnership with the Consumer Federation of America and Channel One News as the chief service provider to reach approximately 5 million middle and high school students with multimedia programming.
- (8) Grant Administration expenses consist of costs for the United Way, the American Library Association and the National Endowment for Financial Education for support services provided to the Foundation in developing, administering and maintaining grant programs. This includes providing day-to-day administrative support to Foundation staff, as well as reviewing grant proposals, assisting with evaluation, conducting training for grantees and providing communications services.
- (9) Contract Services consist of recurring audit fees plus legal and consulting costs.
- (10) Travel and Meetings consist of related expenses incurred in managing active grant projects, attending symposia and meeting with prospective grant applicants as well as Board member travel.
- (11) Postage, Printing and Other consist of general administrative postage, storage and shipping costs, printing and publications costs, investment custody fees and miscellaneous expenses.
- (12) FINRA contributes services to the Foundation in the form of management oversight, program staff and certain administrative services, including communications, legal, financial, tax and treasury. The value of these services, which are provided by FINRA at no charge to the Foundation, is excluded from the table. For the quarter ended December 31, 2012, the value of the contributed services is estimated to be approximately \$0.9 million.

**FINRA Investor Education Foundation
Report to the SEC of the Global Settlement Funds
For the Quarter Ended December 31, 2012**

**Exhibit A–Attachment 1
Approved Grants and Targeted Projects**

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Fayetteville Public Library (AR)	\$99,315	27 mos.	Fayetteville Public Library will collaborate with Credit Counseling of Arkansas and the University of Arkansas (including its Extension Service and its Center for Economic Education) to demonstrate financial planning strategies for households that are living paycheck to paycheck, allowing them to save for future expenses and for retirement. The partners will give particular attention to multigenerational households in neighborhoods experiencing the greatest economic hardship, with the goal of helping to break the generation to generation cycle of financial struggle.	Meet the financial and investor education needs of underserved audiences	December 11, 2012
Education	Georgetown County Library (SC)	\$99,990	24 mos.	A two-year campaign led by the Georgetown County Library, the county's Human Services Collaborative, and Coastal Carolina University will encompass a variety of creative learning experiences to improve financial literacy and capability among the county's most economically disadvantaged residents. Participating agencies will offer seminars on financial goal setting, managing credit and debt, household budgeting, saving for emergencies, recovering from bad credit, preparing to invest, and using personal finance resources available through the library. Special emphasis will be given to helping parents, grandparents, and caregivers share good financial practices with their children. The library will also sponsor community-wide financial literacy celebrations to connect residents with nonprofit personal finance resource providers. Teens will work with the library's video production program to produce public service announcements on personal finance topics, and collaborate with librarians to profile county residents who have faced financial adversity and worked their way to success. This series will be featured through the library's Heritage Center and become part of the circulating video collection.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Hartford Public Library (CT)	\$99,980	18 mos.	Hartford Public Library will offer a series of financial literacy workshops for families with children and for young adults in high school and college. Workshop participants will build their knowledge and skills related to budgeting, credit, paying for college, buying a new vehicle, purchasing a first home, planning for future financial needs, and the basics of investing. The library will partner with the University of Hartford, which will provide faculty and supervised graduate students to serve as workshop instructors. The University of Hartford will also train library staff through seminars on the use of personal finance reference tools and the topics covered during the workshop series. Capital Community College will host selected workshops for young adults—including its own students and students from area high schools. The library will also integrate financial literacy education into its summer reading programs at branch facilities. The project will culminate with a city-wide financial literacy challenge with teams drawn from local high schools.	Empower the nation's young people to meet their financial goals	December 11, 2012
Education	Housatonic Community College Library (CT)	\$100,000	18 mos.	Housatonic Community College Library and the Bridgeport Public Library will work together and with other partners to help young residents acquire knowledge and skills essential for sound financial decision-making before, during, and after college. College students and prospective college students will comprise the larger part of the target audience. Among other topics, the instructional sequence will encompass banking basics, introduction to credit, how to pay for college and maintain financial aid, introduction to investing, and how to avoid financial fraud.	Empower the nation's young people to meet their financial goals	December 11, 2012
Education	Huntsville-Madison County Public Library (AL)	\$100,000	24 mos.	Huntsville-Madison County Public Library will partner with the University of Alabama, Alabama A&M University, community organizations, employers, Redstone Arsenal Post Library, and Redstone Arsenal Army Community Service to provide financial education experiences for four local audiences: beginning investors; college-bound students and their parents; the local military community; and youth groups. Instructional support will be provided by the College of Business and Public Affairs at Alabama A&M University, the Student Financial Services Office at the University of Alabama-Huntsville, and Redstone Arsenal Army Community Service. Selected worksite and library-based sessions will be co-presented by volunteers from Huntsville Young Professionals.	Meet the financial and investor education needs of underserved audiences	December 11, 2012

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Ida Rupp Public Library (OH)	\$19,108	25 mos.	Ida Rupp Public Library will partner with United Way, the Port Clinton City School District, and community organizations to teach low-income children and their parents' financial fundamentals through hands-on summer activities, as well as workshops and classes scheduled throughout the year. Programming will address earning money, needs vs. wants, banking fundamentals, budgeting basics, establishing savings goals, and similar basic topics. Children will be incentivized to read age-appropriate storybooks with a money theme and report what they learn. Throughout the non-summer months, the library will sponsor additional activities that bring parents, children, and teens together and model strategies that parents can use to teach their children good money habits and skills. Adult programs—conducted in partnership with United Way, local financial educators, and supervised graduate students from Bowling Green University's economics department—will address investing basics, credit, debt, household budgeting, identity theft, fraud prevention, and personal finance resources available at the library.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Empower the nation's young people to meet their financial goals	December 11, 2012
Education	Jefferson County Library Cooperative (AL)	\$100,000	18 mos.	Coordinated by the Jefferson County Library Cooperative, 15 public libraries in Jefferson and Shelby counties will collaborate on a regional effort to improve personal finance education opportunities available to Alabama residents in need. Partnering with each other and with schools, civic groups, and community nonprofits, the libraries will focus their collective efforts on two demographic groups: financially vulnerable adults and young people ages 11 to 22. Participating libraries and their partners will: provide basic instruction on establishing good money habits early in life; enable families and individuals of modest means to build assets and enter the financial mainstream; assist members of the community to become economically self-sufficient with information on debt reduction and repairing credit; provide information to protect residents from predatory financial practices and financial fraud; and offer educational experiences on the fundamentals of investing and managing financial resources wisely. Instructional support will come from the Alabama Cooperative Extension Service, United Way of Central Alabama, the Hispanic Interest Coalition of Alabama, the Middle Alabama Area Agency on Aging, personal finance and mathematics teachers in area high schools, and faculty from the finance department at the University of Alabama-Birmingham.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences Empower the nation's young people to meet their financial goals	December 11, 2012

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Niles District Library (MI)	\$70,503	24 mos.	Niles District Library will offer financial literacy classes based on the FDIC Money Smart curriculum, financial fitness support groups, and a series of short-topic presentations for patrons seeking more narrowly defined assistance. The target audience will be low-income individuals in Niles and surrounding communities. Faculty from nearby Lake Michigan College will teach the Money Smart classes, which will help participants make informed financial choices, resolve debt issues, and plan for the future. The first classes will begin just as the VITA season is concluding. For many in the target audience, money received from tax returns brings a period of financial flexibility that coincides with an important educational opportunity. Each Money Smart series will be followed by financial fitness support groups, called "Money Talks," which will meet regularly and provide guidance and encouragement as participants strive to achieve their financial goals.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012
Education	Public Library of Cincinnati & Hamilton County (OH)	\$57,853	24 mos.	Librarians in Cincinnati will collaborate with Extension educators from Ohio State University to bring financial literacy experiences to high school students. Programming will help teens set financial goals, understand ways to build assets, create and maintain a personal budget, use bank services, manage credit card and loan debt, and avoid financial scams. Programming will help students appreciate the correlation between education and income throughout life. All programming will align with academic content standards for financial literacy and related subjects. The project partners will strive to make financial education relevant and fun for the teen cohort. Special effort will be made to engage teens from lower-income neighborhoods in Cincinnati and the surrounding county.	Empower the nation's young people to meet their financial goals Meet the financial and investor education needs of underserved audiences	December 11, 2012

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	San Diego Public Library (CA)	\$100,000	18 mos.	San Diego Public Library will provide a continuum of financial/investment education services and workshops for active-duty service members, military families, and veterans using a lifelong approach to asset building, financial coaching, and consumer protection. The library's chief partners include the San Diego Unified School District, Fleet & Family Support Services, and Home Start, Inc. (a nonprofit that provides youth development and family assistance in high-need neighborhoods). Fleet & Family Support Services already co-locates some of its programs in San Diego Public Library branches. San Diego's military population (active-duty Navy and Marine Corps personnel and their dependents) is approximately 229,000. About half are 25 and younger. These families deal with deployment, separation, and reunification and the many associated financial challenges.	Meet the financial and investor education needs of underserved audiences Empower the nation's young people to meet their financial goals	December 11, 2012
Education	St. Louis County Library District (MO)	\$41,695	23 mos.	St. Louis County Library will collaborate with the University of Missouri-St. Louis, University of Missouri-Extension, and Lincoln University-Extension to improve the financial capability of low- and moderate-income parents and their teenage children. The program will engage parents and teens both separately and together and equip parents to be effective financial role models for their children. Learning will occur through multi-session workshop series at library branches serving some of the most economically challenged areas of the county. The library will partner with the school districts where these branches are located to encourage participation and reinforce learning. Among other topics, workshops will address budgeting, credit, saving, banking, and investing basics. For workshops that bring parents and teens together for common learning, the focus will be on sharing fiscal responsibility. This will be achieved through role-playing, simulations, and other activities that are both educational and fun. For each workshop, librarians will introduce participants to relevant library collections and services, while Extension educators will take the lead on financial literacy instruction.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012

Smart investing@your library® Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Troy Public Library (MI)	\$65,175	24 mos.	Troy Public Library will help high school students and their parents to establish a financial plan for college and beyond. The project addresses saving and investing to cover college expenses, as well as the skills and knowledge students need to manage their finances while in college and after they graduate. Sessions will begin with a focus on financial basics (banking, budgeting, etc.), moving on to college affordability, financial aid, investment considerations, and managing debt after graduation. Sessions will also reinforce parents' role as the primary financial behavioral model for their students. The seminars will take place at the library's technology center and at three area high schools. Nearby Oakland University, Walsh College, the local consumer credit counseling agency, and the City of Troy Finance Department will provide instructional support for the project. Grant amount: \$65,175	Empower the nation's young people to meet their financial goals	December 11, 2012

Financial Education in Your Community Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Aloha United Way (HI)	\$141,144	24 mos.	Aloha United Way will partner with the Hawaii Council on Economic Education and Hawaiian Community Assets to provide the training, resources, and support necessary to integrate financial education with the programs of nine social service agencies serving older, at-risk youth. During the two year project, the participating agencies will provide financial education for young adults between the ages of 16 and 22, including those that may be adjudicated, aging out of foster care, high school dropouts, English language learners, and teen parents. Most of these young people are in or will soon be entering the workforce, and most will not be enrolled in post-secondary training or education. In the early stages of the project, social workers, counselors, law enforcement officials, and volunteers from the participating agencies will themselves participate in eight hours of basic financial education training in addition to training on culturally appropriate curriculum and effective teaching methods.	Empower the nation's young people to meet their financial goals Provide examples of how to inform and assist local audiences about essential financial and investor education issues	December 11, 2012
Education	Montana State University Extension (MT)	\$126,492	24 mos.	Montana State University Extension will expand the state-wide audience for Solid Finances, its successful web-based financial education series. It will also partner with South Dakota State University Extension to build capacity and replicate the program in South Dakota. Financial education opportunities in rural areas are often extremely limited. The low population densities provide little incentive for for-profit providers and often pose insurmountable barriers for nonprofit educators. Take-up rates for static online programs are typically low. The Solid Finances program model has successfully overcome these challenges by combining distance learning technology with opportunities for participant interaction. Based on previous experience, project leaders project that over 3,600 people will participate in 32 sessions offered during the two-year project.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012

Financial Education in Your Community Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	RISE Foundation (TN)	\$124,703	24 mos.	In collaboration with the Community Alliance for the Homeless, the RISE Foundation will create a sustainable and integrated financial education program for families experiencing homelessness in Greater Memphis. In the first part of the project, 50 employees from agencies that serve homeless families will themselves participate in a financial education workshop series and complete a train-the-trainer workshop. RISE will also work with two Alliance staff members and participating agencies to provide financial education training and skill development training for 200 volunteer mentors. Before the end of the grant term, at least 100 homeless families will complete the RISE Common Cents training and achieve at least one financial goal with the assistance of a volunteer mentor.	Establish distribution mechanisms for sharing reliable, unbiased financial and investor education resources Meet the financial and investor education needs of underserved audiences	December 11, 2012
Education	Spokane County United Way (WA)	\$150,000	24 mos.	Spokane County United Way will partner with the Next Generation Zone, a youth-serving affiliate of WorkSource Spokane, to provide financial education and coaching for youth 16–24 years of age. Youth that receive intensive services from the Next Generation Zone are typically low-income and have not had access to financial education. Nearly 44 percent do not have a GED or high school diploma. They are newly employed, preparing to work, or have recently been placed in an internship experience. During the two-year project, the Next Generation Zone will fully integrate financial education into its core services, and 288 youth will complete training.	Empower the nation's young people to meet their financial goals Provide examples of how to inform and assist local audiences about essential financial and investor education issues	December 11, 2012
Education	United Way of Massachusetts Bay and Merrimack Valley (MA)	\$150,000	24 mos.	The United Way of Massachusetts Bay and Merrimack Valley will develop a cost-effective model of standards-based financial coaching that will initially support 2,400 low-income individuals and families working toward economic security in Greater Boston. Project partners will also facilitate group financial coaching through a pilot program in a low-income Boston suburb. The six partner agencies participating in the project have deep roots in their communities and the capacity to serve a broad and diverse population of low-income residents throughout Greater Boston. Financial coaching will be provided at four United Way one-stop financial stability centers located in the four communities with the highest poverty rates and greatest need in Massachusetts. Their efforts will be augmented by the work of two Boston agencies that provide comprehensive workforce development and asset-building services for unemployed and underemployed individuals.	Establish distribution mechanisms for sharing reliable, unbiased financial and investor education resources Meet the financial and investor education needs of underserved audiences	December 11, 2012

Financial Education in Your Community Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	United Way of the Midlands (NE)	\$149,479	24 mos.	The United Way of the Midlands, in partnership with the Financial Hope Collaborative at Creighton University, will offer comprehensive financial education and ongoing support services for 180 families headed by single mothers earning less than \$50,000 per year. The project partners will also conduct an assessment to measure the return on investment of the program model and test a theory that providing services for teams of clients who support and encourage each other will improve client outcomes. The program model, piloted through a 2009 Financial Education in Your Community grant, now comprises four main components, including: nine weeks of classroom training; one-on-one financial coaching for up to a year; monthly group meetings for program graduates providing ongoing peer-support and continuing education; and access to specially designed products and services that smooth the path to financial stability, including level bill pay plans through local utilities and low-interest debt consolidation loans.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012
Education	United Way of Northeast Florida (FL)	\$135,873	24 mos.	The United Way of Northeast Florida will expand the RealSense workplace financial education program for low- to moderate-income families to include nonprofit sector employees. The project recognizes that nonprofit organizations are often overlooked as the employers of many low-wage workers who live in fiscally precarious situations while serving the needs of the community. RealSense will work with nonprofit employers up front and in depth to develop a mutually agreeable service plan outlining expectations, responsibilities, and a class schedule. RealSense staff will also work with each employer to identify potential participants, provide information about class availability, and conduct a needs survey among interested employees. A customized class series will be created for each workplace using the FDIC Money Smart curriculum and other non-commercial financial education materials. Any participant who indicates an interest in one-on-one coaching or counseling will be referred to an appropriate RealSense partner for those intensive services. During the two-year grant term, approximately 600 individuals from 60 nonprofit employers and small businesses will participate in the program.	Provide examples of how to inform and assist local audiences about essential financial and investor education issues Meet the financial and investor education needs of underserved audiences	December 11, 2012

Financial Education in Your Community Grant Program, Grants Approved						
Project Type	Organization	Amount Approved	Project Term	Description	Key Priorities Addressed	Date Approved by Board
Education	Village Family Service Center (ND)	\$50,000	24 mos.	The Village Family Service Center will provide basic financial education classes and counseling in partnership with nonprofit partners serving low-income single mothers, new Americans, and clients with a history of substance abuse in Fargo, North Dakota, and Moorhead, Minnesota. Workshops will be tailored to meet the needs of each target audience, but the core program includes three, one-hour classes on budgeting, credit, and financial goal-setting. Workshops will be delivered in a classroom setting by counselors certified by the National Foundation for Credit Counseling using existing non-commercial financial education materials. All attendees will also have access to individual, one-on-one sessions with a certified credit counselor.	Meet the financial and investor education needs of underserved audiences	December 11, 2012

Targeted Projects Approved					
Project Title	Target Audience	Amount Approved	Project Overview	Key Priorities Addressed	Date Approved by Board
Investor Protection Campaign	Investors	Additional \$4,291,000	In 2013, the Foundation will distribute existing tools to help investors spot and avoid the red flags of investment fraud, while expanding our program with new resources and through innovative delivery channels that will complement our investor protection messaging. We will continue to work with established partners, and will leverage new strategic partners to increase the reach of the campaign. Finally, we will facilitate research that strengthens the infrastructure of the fraud-fighting community. The 2013 plan follows the model of research, education and outreach.	Advance practice, policy and thought in the field of investor protection Meet the investor protection needs of underserved audiences	December 11, 2012
National Financial Capability Study	U.S. adults age 18 and over	Additional \$450,000	The Foundation will enable widespread access to, and use of, the data and findings from both waves of the National Financial Capability Study. To that end, we will update and enhance the project website at www.usfinancialcapability.org to accommodate the new reports and datasets, and to include a research section that offers more detailed information on the survey and access to full data sets. We will also foster increased usage of the data by academics, policymakers and other stakeholders by contracting with prominent researchers to develop issue briefs, factsheets and white papers. Finally, the Foundation will conduct an earned media campaign that announces key findings and availability of the data. Findings and data from the State-by-State Survey component are expected to be released in the second quarter of 2013, followed in the third quarter by those from the Military Survey component. Data from the American Life Panel respondent pool will be available for analysis in the second half of the year.	Expand the body of knowledge Advance practice, policy and thought in the fields of investor education and protection	December 11, 2012

**Exhibit A–Attachment 2
Grant Proposals and Project Concepts Declined**

General Grant Program, Proposals Declined								Not within Guide-lines			Insufficient or Inappropriate:					
Project Information																
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-09-021	E	Council for Economic Education	Sally Wood	\$25,000	6 mos.	NY	Gen i Revolution Social Media: Use social media to expand the reach of the Gen i Revolution personal finance game for high school students.	X						X	X	
2012-09-024	E	National Council on Aging	Heather Miller	\$111,919	12 mos.	DC	Home Equity Advisor: A Tool for Mobile Users and Beyond: Build upon previous Foundation-funded work by: 1) creating a mobile version of the Home Equity Advisor Quick Check assessment tool; 2) increasing use of the tool through social media marketing; and 3) conducting analytic research to learn more about how users navigate the tool.							X		X

General Grant Program, Project Concepts Declined								Not within Guide-lines			Insufficient or Inappropriate:					
Project Information																
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-12-001	E	Cardinal O'Hara High School	Yvonne Frick	\$44,000	12 mos.	NY	Hawk Money All Stars: Create and implement a financial education program for high school students in the Buffalo Public Schools.				X	X		X	X	
2012-12-002	E	South Dakota State University	Carrie Johnson	\$50,000	24 mos.	SD	Growing Money Skills: Provide financial education and coaching for low- to moderate-income families and individuals across the state.					X	X	X		
2012-12-003	E	Jubilee Homes of Syracuse	Carolyn Evans	\$35,000	9 mos.	VA	Southwest Economic Business Resource Center Mock Investment Club: Provide financial education to residents of Syracuse through a simulated investing club.					X		X		
2012-12-004	R	Olson & Associates	Bob Olson	\$150,000	12 mos.	MA	Stress Testing Ethics & Compliance Programs for True Effectiveness; The Development of a Key Metric for Investor Protection: Develop a research-based metric to evaluate the effectiveness of corporate ethics and compliance programs.		X		X			X	X	
2012-12-005	E	United Way of Yuma County	Madeleine Coil	\$90,000	18 mos.	AZ	Financial Stability and Volunteer Income Tax Assistance Program: Provide free tax preparation and financial education for low- to moderate-income residents of Yuma County.					X		X		
2012-12-006	E/R	University of Pennsylvania, Wharton School of Business	Keith Weigelt	\$250,000	36 mos.	PA	Building Bridges to Wealth: Continue development and evaluation of a business literacy and asset-building program for low-income African American adults in Philadelphia.					X		X		

General Grant Program, Project Concepts Declined								Not within Guide-lines			Insufficient or Inappropriate:						
Project Information																	
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure	
2012-12-007	E/R	The Capital Good Fund	Andrew V. Posner	\$40,000	12 mos.	RI	T.E.C.H. (Technology, Education & Community for Holistic-schools) Program: Measure the impact of a financial coaching program for parents of school-age children on student achievement.							X			
2012-12-008	E/R	Community Financial Education Foundation	Jane DeMarines	\$68,950	5 mos.	MD	Planning Your Future: How to Invest Safely in the Stock Market: Create an online module on how to invest in the stock market.					X		X	X		
2012-12-009	E	Success Skills Center	Rebecca Wright	\$75,000	--	TX	Success Training Program: Provide the Dale Carnegie training program for underserved residents of Austin.	X	X	X	X						
2012-12-010	E/R	Portfoliosafe	Jaimie Ann Davis	\$930,000	15 mos.	CA	Portfoliosafe.com: Create a tool to monitor individual retail investor portfolios for fraud and irregularities.	X		X	X			X			
2012-12-011	E	Self-Help Economic Development	Haydee Moreno	\$250,000	24 mos.	CA	Pathways to Mainstream Financial Success: Provide financial education and access to mainstream banking services through a micro-branch community credit union.				X			X			
2012-12-012	E	Southern Rural Connection	Shirley Epps	\$60,000	12 mos.	DC	After School Programs/Projects – Building a Better Future for Our Young Kids/Families through Health/Education in the 21 st Century: Develop a program to reduce the high school dropout rate in Jefferson County, Mississippi.		X		X	X	X	X	X		
2012-12-013	E	Drexel University	Valerie Klein	\$250,000	24 mos.	PA	The Math Forum's Tools to Incorporate Financial Education into the Math Classroom: Multimedia Lessons, Problems and Resources: Conduct a professional development course to create multimedia problem-based lesson plans.		X					X	X		

General Grant Program, Project Concepts Declined								Not within Guide-lines			Insufficient or Inappropriate:					
Project Information																
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-12-014	E/R	FREEDOM 2000	Darlene Gilmore	\$500,000	24 mos.	TX	Money101.net: Create a web-based tool to provide personal financial guidance.				X			X		
2012-12-015	E	Women's Business Development Council	Fran Pastore	\$12,000	12 mos.	CT	Financial Education Programming: Add a budget coaching program to enhance existing financial education, entrepreneurship and career development programs.					X				
2012-12-016	E	Perico Institute for Youth Development and Entrepreneurship	Charles Perry	\$189,720	24 mos.	MS	Youth Financial Empowerment Center: Provide financial education workshops to 100 underserved youth in central Mississippi.					X		X		X
2012-12-017	R	Union College	Tomas Dvorak	\$14,000	9 mos.	NY	Indirect Compensation of Pension Advisors: Explore the nature of compensation for private pension plan providers and the influence of compensation on performance.				X					
2012-12-018	E/R	National Bee, Inc.	Kamatchi Vel	\$35,000	12 mos.	DE	Numbers Bee: Expand participation in an annual state-wide math tournament for elementary and middle school students.	X			X	X				
2012-12-019	E	Hale Empowerment and Revitalization Organization	Pamela Door	\$32,300	8 mos.	AL	Financial Education in the Alabama Black Belt: Provide financial education and benefits screening for low-income families recovering from a natural disaster in a five-county area.					X		X		X
2012-12-020	E/R	Our Genesis Project, Inc./Southern Polytechnic State University	Kai Brockington	\$30,000	24 mos.	GA	Sustainable Non-Profit Revenue Research in Collaboration with Southern Polytechnic State University: Define a suitable risk portfolio for nonprofit organizations and develop software to interface with existing online brokerage platforms.				X			X	X	

General Grant Program, Project Concepts Declined								Not within Guide-lines			Insufficient or Inappropriate:					
Project Information																
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-12-021	E	Reserve International, Inc.	Archiette Watts	\$62,000	12 mos.	GA	Learning Basic Financial Literacy Skills Can Help You Understand How Small Savings Can Support Larger Visions: Provide classroom workshops and lectures on basic financial education for underserved youth.	X				X		X		

Smart investing@your library®, Grant Proposals Declined								Not within Guide-lines			Insufficient or Inappropriate:				
Project Information															
Number		Organization	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-L-04		J. Erik Jonsson Central Library (Dallas)	\$75,000	18 mos.	TX	Strengthening the Financial Decision-Making Capacity of Dallas Citizens: Provide multilingual programming on money basics and investing fundamentals to improve the financial literacy of low- to moderate-income families, including and especially linguistically isolated groups.	WITHDRAWN								

Smart investing@your library®, Grant Proposals Declined											Not within Guide-lines		Insufficient or Inappropriate:			
Project Information																
Number		Organization	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure	
2012-L-06		Pierce County Library System	\$98,500	24 mos.	WA	Know Your Money 101: Deliver web-based financial education and related interactive gaming for young adults between the ages of 16 and 24 in partnership with 25 organizations in the county.							X	X		
2012-L-07		College of DuPage Library	\$72,122	24 mos.	IL	Project IF (Information & Financial Literacy): Design curricula and instructional materials and provide learning opportunities that focus on the information literacy dimension of financial capability.		X					X			
2012-L-08		Bartholomew County Public Library	\$79,156	20 mos.	IN	Dollar Signs: Provide teens and twenty-somethings with financial education classes, online resources, and expanded collections.					X				X	
2012-L-11		Carnegie Public Library of Clarksdale and Coahoma County	\$68,977	18 mos.	MS	My Money, My Future @ the Carnegie Public Library: Improve financial competency in the library's low-income service area through workshops and social media interactions.					X		X			
2012-L-12		Chester County Library System	\$100,000	24 mos.	PA	Financially Fit @ Your Library: Partner with local universities to (1) help adults ages 20 to 39 improve basic financial capability, and (2) inform pre-retirees and retirees about reverse mortgages, managing retirement income, and avoiding fraud.					X		X			
2012-L-13		Seattle Central Community College	\$99,660	18 mos.	WA	Integrating Financial/Investor Education in Instructional Programs and Support Services: Incorporate financial literacy instruction into selected credit-bearing courses and add a personal finance component to student support services.						X	X			
2012-L-14		Garfield County Public Library District	\$96,354	20 mos.	CO	Get\$mart: Provide workshops and other events to teach teens and low-income, Spanish-speaking residents about the basic components of financial literacy.							X	X		

Smart investing@your library®, Grant Proposals Declined							Not within Guide-lines			Insufficient or Inappropriate:					
Project Information															
Number	Organization	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure	
2012-L-18	Kansas City Public Library	\$53,834	24 mos.	MO	Invest in Me!: Partner with Camp Fire USA to engage students in grades 7 to 12 in experiential financial literacy sessions.		X			X		X	X		
2012-L-19	Middle Country Public Library	\$80,450	17 mos.	NY	Let's Be SmART about Money: Integrate financial topics into arts education for students in grades 3 to 12.							X	X		
2012-L-22	Portland Public Library	\$48,865	22 mos.	ME	Family \$marts: Conduct a pilot project to educate teens and their parents about budgeting, saving for college, using credit, and choosing a career path.		X			X		X			
2012-L-24	Queens Library	\$100,000	20 mos.	NY	Financial Literacy in the Community: Offer personal finance workshops in Arabic, Spanish, Chinese, Bengali, and English to immigrant and low-income residents of Queens.						X	X			
2012-L-25	Sheridan County Public Library System	\$37,000	18 mos.	WY	Smart Investing@the Sheridan County Library: Partner with Sheridan College and the local senior center to encourage adults of all ages and backgrounds to improve their basic financial capability and retirement planning.					X			X		
2012-L-26	Poughkeepsie Public Library District	\$73,868	24 mos.	NY	On the Road to Investing: Collaborate with Cornell University Cooperative Extension to augment the library's job assistance services with basic skill-development training in financial management for low- and moderate-income families.		X						X		
2012-L-27	Toledo-Lucas County Public Library	\$62,772	18 mos.	OH	Living Well with Less: Coordinate financial counseling and financial literacy education services for three groups: low- and middle-income residents; those in student debt; and those in the "threshold generation" (ages 45 to 65).							X	X		

Smart investing@your library®, Grant Proposals Declined							Not within Guide-lines			Insufficient or Inappropriate:					
Project Information															
Number		Organization	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-L-28		Austin Community College District	\$99,949	24 mos.	TX	<i>Smart Money:</i> Integrate financial wellness competencies into the college's general education and workforce curriculum, financial aid application process, and business and financial management curriculum.		X					X	X	
2012-L-30		Timberland Regional Library	\$93,242	22 mos.	WA	<i>Timberland Rural Prosperity Initiative:</i> Expand asset-building initiatives to rural residents in a five-county region of southwest Washington, with a particular emphasis on improving the financial capability of the self-employed.				X	X		X		X
2012-L-32		Teton County Library	\$15,380	24 mos.	WY	<i>Life Dreams Project:</i> Provide workshops for high school students, prospective homeowners, and young professionals to help them understand the role of investing in achieving life goals.								X	
2012-L-33		White Oak Library District	\$5,000	12 mos.	IL	<i>Financial Literacy for the Young and Old:</i> Expand the financial education resources and services available to (1) aspiring college-bound students and (2) residents in or nearing retirement through speaker events and better library collections.	X				X		X	X	

Financial Education in Your Community, Grant Proposals Declined						Not within Guide-lines			Insufficient or Inappropriate:					
Project Information														
Number	Organization	Amount Requested	Project Duration	State	Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-C-001	United Way of Greenville County	\$150,000	24 mos.	SC	Incorporate financial education into existing job skills and parenting programs.		X			X		X		
2012-C-002	Consumer Credit Counseling Service of Delaware Valley	\$120,000	24 mos.	PA	Establish new community partnerships to facilitate the delivery of basic financial education for low- to moderate-income families.					X		X		
2012-C-003	Neighborhood Centers, Inc.	\$150,000	24 mos.	TX	Continue a program to offer basic financial education and one-on-one coaching to low-income individuals.					X		X		
2012-C-004	Rutgers University Office of Continuing Professional Education	\$96,514	14 mos.	NJ	Provide financial education training to criminal justice and human service professionals serving formerly incarcerated individuals.					X		X	X	
2012-C-005	People Incorporated of Virginia	\$149,731	24 mos.	VA	Pilot a program to incorporate financial education into existing social work case management activities.			X		X		X		
2012-C-006	Community Teamwork, Inc.	\$150,000	24 mos.	MA	Develop a Financial Education Counselor certificate program, establish a Financial Education Center as a single stop for low-income families seeking financial counseling and case management, and provide financial education for 75 high school students.							X		
2012-C-007	United Way of Northern Nevada and the Sierra	\$150,000	24 mos.	NV	Provide training and technical assistance to the staff of nonprofit organizations and social service agencies incorporating financial and asset-building education into existing services.					X		X		
2012-C-008	Fayetteville State University (FSU), School of Business and Economics	\$148,555	24 mos.	NC	Develop web-based resources and provide financial education opportunities for FSU students and members of the local community.					X		X	X	
2012-C-010	Community Financial Education Foundation	\$74,250	24 mos.	MD	Create an online financial education program for the Native Americans of the Choctaw Nation in Oklahoma.					X		X		

Financial Education in Your Community, Grant Proposals Declined										Not within Guide-lines		Insufficient or Inappropriate:					
Project Information																	
Number	Organization	Amount Requested	Project Duration	State	Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure			
2012-C-011	United Way of Forsyth County, Inc.	\$111,650	24 mos.	NC	Expand financial education outreach to seniors, high school youth, low-income males, African Americans and Latinos.					X		X					
2012-C-013	United Way of Greater Toledo	\$133,881	17 mos.	OH	Develop and implement a neighborhood-based financial education campaign to include a train-the-trainer program, financial education workshops, and a social marketing campaign.							X					
2012-C-014	Georgia Head Start Association	\$115,885	21 mos.	GA	Expand the Creating a New Money Script program through a partnership with the Georgia Head Start Association.					X		X					
2012-C-015	United Way of Greater St. Joseph	\$149,800	24 mos.	MO	Create an employer-based financial education and coaching program for low-wage service-sector employees.					X		X					
2012-C-016	Prosperity Unlimited, Inc.	\$150,000	24 mos.	NC	Create a financial and investor education and coaching program for distressed homeowners.				X	X		X					
2012-C-017	United Way of Fresno County	\$113,020	24 mos.	CA	Working with community partners, incorporate financial education and coaching into existing programs for low-income clients.					X		X					
2012-C-018	Greater Twin Cities United Way	\$150,000	24 mos.	MN	With community partners, incorporate financial education into existing career training and life skills programs.		X			X		X					
2012-C-019	Manna Ministries, Inc.	\$82,942	24 mos.	MS	Expand an existing community financial education program for low-income individuals.					X		X					
2012-C-020	Kentucky Domestic Violence Association	\$150,000	24 mos.	KY	In partnership with a regional VITA coalition, offer financial education and credit-building services for low-income individuals.					X		X					
2012-C-021	Consumer Credit Counseling Service of Central Oklahoma	\$41,108	24 mos.	OK	Provide financial education through a six-week “boot camp” for 150 low-income families.					X		X					

Financial Education in Your Community, Grant Proposals Declined						Not within Guide-lines			Insufficient or Inappropriate:					
Project Information														
Number	Organization	Amount Requested	Project Duration	State	Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-C-022	United Way of Northern New Jersey	\$27,258	24 mos.	NJ	Provide financial education and intensive case management services for 40 students at Raritan Valley Community College.				X	X		X		
2012-C-024	United Way of the Capital Region	\$150,000	24 mos.	PA	Working with nonprofit partners, expand the range of economic stability resources at five existing Prosperity Centers, and open five additional locations.				X	X		X		
2012-C-025	Orange County United Way	\$150,000	24 mos.	CA	Support the launch of an integrated service center to provide comprehensive, case-managed financial education and services to low-income families.				X	X		X		
2012-C-026	The Center for Financial Independence & Innovation	\$96,969	24 mos.	GA	Partner with five employment networks to incorporate financial education into existing employment and job readiness programs for individuals with disabilities.					X		X		
2012-C-027	CASA de Maryland	\$120,000	24 mos.	MD	Support a micro loan program for Legal Permanent Residents to cover the cost of the citizenship application fee, and provide financial education and coaching.		X		X			X		
2012-C-028	United Way of Southern Cameron County	\$129,000	24 mos.	TX	Work with community partners to provide financial education for low-income Hispanic residents of Brownsville.					X		X		
2012-C-029	Consumer Credit Counseling Service of Northeastern Indiana, Inc.	\$150,000	24 mos.	IN	Working in partnership with Catholic Charities, offer financial education opportunities for low- to moderate-income recent immigrants and seniors.					X		X		
2012-C-031	United Way of Lane County	\$72,655	24 mos.	OR	Working in partnership with the Lane County Human Resources Association, create a workplace “financial education on-the-go” program for low- and middle-income employees.				X	X		x		
2012-C-032	Pacific Asian Consortium in Employment	\$150,000	24 mos.	CA	Continue a successful program to engage low-income immigrant families in Los Angeles with financial education and asset-building opportunities.		X					X		

Financial Education in Your Community, Grant Proposals Declined						Not within Guide-lines			Insufficient or Inappropriate:					
Project Information														
Number	Organization	Amount Requested	Project Duration	State	Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-C-034	United Way of the Bay Area	\$150,000	24 mos.	CA	Integrate financial education with services provided for low- and middle-income families through seven SparkPoint Centers in the San Francisco Bay area.		X		X			X		
2012-C-035	Council for Native Hawaiian Advancement	\$130,721	18 mos.	HI	Create an educational video to increase the number of individuals served by VITA sites across Hawaii.							X		
2012-C-036	Quincy Community Action Programs, Inc.	\$87,897	22 mos.	MA	Working with community volunteers, provide financial education and one-on-one coaching for low-income working families.					X		X		
2012-C-037	Community Partnership of the Ozarks	\$150,000	24 mos.	MO	Provide financial education, coaching, employment, and asset-building services through a one-stop financial stability center.		X					X		X
2012-C-039	The Coalition for Debtor Education	\$74,000	24 mos.	NY	Create and coordinate delivery of a student aid financial education program through the staff and volunteers at GED preparation classes and workforce development programs.				X			X		X
2012-C-041	Delaware Financial Literacy Institute	\$150,000	12 mos.	DE	Conduct a multi-faceted statewide program to help low- and moderate-income families plan for post-secondary education.					X		X	X	X
2012-C-042	United Way of Monroe County	\$41,754	24 mos.	IN	Provide financial education resources and training for local classroom teachers and the staff of other youth-serving nonprofit organizations.					X	X	X		
2012-C-044	United Way of Middle Tennessee	\$150,000	24 mos.	TN	Expand financial stability services available to low- and moderate-income families through the 2-1-1 help line.					X		X		
2012-C-045	Lutheran Social Services of South Dakota	\$131,396	24 mos.	SD	With community partners, provide financial education and mentoring for at-risk young adults transitioning from foster care and other types of state custody into independent living.					X		X		

Financial Education in Your Community, Grant Proposals Declined						Not within Guide-lines			Insufficient or Inappropriate:					
Project Information														
Number	Organization	Amount Requested	Project Duration	State	Description	Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2012-C-046	Mission Economic Development Agency	\$150,000	24 mos.	CA	Provide financial education and asset-building opportunities for low-income Latino families in San Francisco.		X		X					
2012-C-047	Financial Wellness Institute	\$150,000	24 mos.	NJ	Expand the reach of the Workforce Development Life Skills Program®.			X	X			X		X
2012-C-048	Hazel Joyce Wiley Career & Financial Literacy Institute	\$150,000	24 mos.	KY	Provide financial education, counseling, and asset-building opportunities for low-income families through a workplace program.					X		X		X
2012-C-049	The Financial Clinic	\$150,000	24 mos.	NY	Integrate asset-development strategies into the services provided by domestic violence coalitions and membership organizations.							X		
2012-C-050	United Way of Wayne and Holmes Counties, Inc.	\$24,398	24 mos.	OH	Provide financial education for at-risk young adults aging out of the foster care system.					X		X		
2012-C-051	Catholic Charities of Santa Clara County	\$150,000	24 mos.	CA	Integrate financial education opportunities into all compatible service programs of the agency.					X		X		

Exhibit B
Detail of Grant Payments for Global Settlement Funds

	Year Approved	Approved Amount	2012				
			Q1	Q2	Q3	Q4	YTD
Grant Programs ⁽¹⁾							
General Grant Program							
Aspira Association-Expanding Awareness	2009	417,864	\$ 83,567	\$ -	\$ -	\$ -	\$ 83,567
First Nations Development Institute (2010)	2010	363,436	54,515	-	54,515	-	109,030
George Washington University	2012	23,100	-	11,550	-	11,550	23,100
Innovations for Poverty Action	2008	343,420	-	68,684	-	-	68,684
National Council on Aging	2009	329,554	-	-	65,912	-	65,912
National Labor College	2010	432,625	-	86,525	-	-	86,525
North Carolina State University (2010)	2010	318,065	-	-	-	46,591	46,591
Ohio State University Research Foundation	2008	108,271	-	-	7,556	-	7,556
Operation Hope	2011	160,440	31,965	-	-	46,271	78,236
UNCF Special Programs Corporation	2008	291,901	-	58,380	-	-	58,380
University of Tennessee (2011)	2011	232,425	46,485	-	-	-	46,485
Women's Institute for a Secure Retirement	2006	346,675	69,335	-	-	-	69,335
General Grant Program Sub-Total			285,867	225,139	127,983	104,412	743,401
Library Grant Program							
Ada County Free Library District	2011	48,300	24,150	-	-	-	24,150
Albany County Public Library (2011)	2011	20,860	10,430	-	-	-	10,430
Apache Junction Public Library	2010	49,140	-	24,570	-	-	24,570
Bolivar County Library System	2009	23,450	-	(13,335)	-	-	(13,335)
Boone County Public Library	2011	70,000	35,000	-	-	35,000	70,000
Brooklyn Public Library (2011)	2011	70,000	35,000	-	-	35,000	70,000
Burlington County Library System	2010	67,159	-	33,580	-	-	33,580
Camden Public Library	2010	31,808	-	-	(12,540)	-	(12,540)
Camel Clay Public Library	2010	59,220	-	29,610	-	-	29,610
Chesterfield Public Library	2010	57,120	28,560	-	-	-	28,560
Curtis Memorial Library	2010	51,065	-	(4,089)	-	-	(4,089)
Dakota County Public Library	2011	48,659	24,330	-	-	24,329	48,659
Delaware County Library System	2011	68,229	34,115	-	-	-	34,115
Estes Valley Library	2012	45,684	-	-	22,842	-	22,842
Fairfield Public Library	2011	35,049	17,525	-	17,524	-	35,049
Genesee District Library	2011	64,050	32,025	-	-	-	32,025
Greensboro Public Library	2009	67,550	-	(1,339)	-	-	(1,339)
Greenville County Library System (2011)	2011	46,428	23,214	-	-	-	23,214
Ida Rupp Public Library	2012	13,376	-	-	-	6,689	6,689
Jacksonville Public Library	2009	70,000	-	-	(5,929)	-	(5,929)
Lawrence Public Library	2010	36,960	-	18,480	-	-	18,480
Martin County Library System	2010	31,538	15,769	-	-	(5,331)	10,438
Martinsburg-Berkeley County Public Libraries	2010	55,692	27,846	-	-	-	27,846
Monroe County Public Library	2010	55,707	27,854	-	-	-	27,854
Multnomah County Library (2012)	2012	70,000	-	-	35,000	-	35,000
Niles Public Library District	2011	15,228	7,614	-	-	-	7,614
Pelham Public Library	2010	61,982	30,991	-	-	-	30,991
Pike County Public Library District	2009	24,053	-	(3,920)	-	-	(3,920)
Pioneer Library System (2011)	2011	40,577	20,288	-	-	-	20,288
Richland County Public Library	2011	54,950	27,475	-	-	27,475	54,950
Santa Clara County Library	2010	70,000	-	-	-	35,000	35,000
Schaumburg Township District Library (2010)	2010	60,900	-	-	(597)	-	(597)
Seekonk Public Library	2011	69,173	34,586	-	-	-	34,586
State Library of Iowa (2011)	2011	50,707	25,353	-	-	-	25,353
Troy Public Library	2012	45,623	-	-	-	22,811	22,811
Virginia Beach Public Library	2009	36,334	(21,455)	-	-	-	(21,455)
York County Library System (2011)	2011	69,945	34,973	-	-	34,972	69,945
Library Grant Program Sub-Total			495,643	83,557	56,300	215,945	851,445

Exhibit B
Detail of Grant Payments for Global Settlement Funds
for the Quarter Ended December 31, 2012 (continued)

	Year Approved	Approved Amount	2012				
			Q1	Q2	Q3	Q4	YTD
United Way Grant Program							
Ariva, Inc.	2011	52,591	26,296	-	-	-	26,296
Capital Area United Way	2011	98,041	49,021	-	-	-	49,021
Central New Mexico Community College Foundation	2011	103,565	51,783	-	-	-	51,783
Connecticut Association for Human Resources	2010	105,000	-	52,500	-	-	52,500
Maine Centers for Women, Work & Community	2010	87,500	-	43,750	-	-	43,750
Montana State University Extension	2010	21,788	10,894	-	-	-	10,894
RISE Foundation, Inc.	2009	101,490	-	(5,914)	-	-	(5,914)
Santa Cruz Community Ventures	2010	105,000	52,500	-	-	-	52,500
Step Up Savannah	2010	105,000	-	52,500	-	-	52,500
United Way Center for Financial Stability	2010	105,000	-	52,500	-	-	52,500
United Way for Southeastern Michigan	2010	97,020	-	48,510	-	-	48,510
United Way of Acadiana	2011	60,661	30,330	-	-	-	30,330
United Way of Central Ohio, Inc.	2011	67,265	33,633	-	-	-	33,633
United Way of Chester County	2009	54,020	-	-	(1,916)	-	(1,916)
United Way of Chittenden County	2010	100,516	-	50,258	-	-	50,258
United Way of Fairfield County	2011	17,810	8,905	-	-	-	8,905
United Way of Greater Chattanooga	2010	105,000	52,500	-	-	-	52,500
United Way of Greater Cincinnati	2011	105,000	52,500	-	-	-	52,500
United Way of Greater Kansas City	2010	105,000	52,500	-	-	-	52,500
United Way of Inland Valleys	2011	61,369	30,685	-	-	-	30,685
United Way of King County	2011	102,764	51,382	-	-	-	51,382
United Way of Larimer County	2011	76,264	38,132	-	-	-	38,132
United Way of Marion County	2010	13,695	6,847	-	-	-	6,847
United Way of River Cities	2011	97,790	48,895	-	-	-	48,895
United Way of San Antonio and Bexar County	2009	78,750	39,375	-	(45,659)	-	(6,284)
United Way of Silicon Valley	2011	103,950	51,975	-	-	-	51,975
United Way of Tampa Bay	2010	31,500	-	-	-	15,750	15,750
United Way of West Central Mississippi	2010	104,738	52,369	-	-	-	52,369
United Way Grant Program Sub-Total			740,522	294,104	(47,575)	15,750	1,002,801
Investor Advocacy Clinic							
Florida International University College of Law	2009	175,000	-	43,750	-	-	43,750
Georgia State University College of Law	2012	175,000	-	-	70,000	-	70,000
Howard University School of Law	2009	175,000	43,750	-	-	-	43,750
Michigan State University College of Law	2012	175,000	-	-	70,000	-	70,000
Pepperdine University School of Law	2009	175,000	43,750	-	-	-	43,750
Seton Hall University School of Law	2010	175,000	43,750	-	-	-	43,750
Suffolk University Law School	2009	175,000	43,750	-	-	-	43,750
University of Miami School of Law	2010	175,000	43,750	-	-	-	43,750
Investor Advocacy Clinic Sub-Total			218,750	43,750	140,000	-	402,500
Grant Programs Total			\$ 1,740,782	\$ 646,550	\$ 276,708	\$ 336,107	\$ 3,000,147

- (1) Grantees that complete their projects under budget are required by the terms of the grant agreement to return unspent grant funds to the Foundation. This accounts for any negative amounts shown on this schedule.